

# EC Ministers Approve Farm Budget Cuts

BRUSSELS — Agriculture ministers of the European Community have agreed on a 1984 farm budget that would curb milk production and cut the general level of guaranteed farm prices by 1 percent.

The agreement, Saturday, the first price and production cuts in the 20-year history of the Common Agricultural Policy, was hailed as a step toward saving the community from the threat of insolvency.

"The Common Agricultural Policy will be less popular because its incentives are more limited and weaker," said the French agriculture minister, Michel Rocard, who was chairman of the meeting. "But it should allow Europe to catch its second wind, now that it has shown it can put its agricultural affairs in order."

The trade bloc's finances are in disarray after years of high subsidies paid to farmers for production that resulted in large surpluses of dairy products and grain.

A disagreement over Britain's budget payments is the last remaining obstacle to community financial reform, diplomats said Sunday. London is seeking what it terms a fairer distribution of payments to the community budget. The dispute between Britain and its nine partners threatens prospects for further agreements that would bring greater financial solidity in the community.

Community foreign ministers are to take up the issue again on April 9. The dispute led to the collapse of the EC summit meeting on March 19 and 20 in Brussels.

The agricultural agreement Saturday reduced the subsidies that the community will pay farmers for some items and limited the quantities of those products that the trade bloc will buy.

The new quota system will be in effect for five years in an effort to reduce the community's surplus stock of butter and put a lid on farm spending.

Ireland, Northern Ireland and Luxembourg were granted increases in milk output this year. The ministers also yielded to Ireland's demand for increases in its milk production in the next few years, but they did not specify how much. Italy may keep its output at the 1983 level this year.

Ireland, citing "vital national interests," had threatened to veto the entire farm budget unless it was exempted from the quota system.

The main points of the agreement are:

- A 7.8 percent cut in community milk production to 99.5 million metric tons (109.7 tons) this year from a projected 108 million tons, with a further drop next year to 98.7 million tons.
- The abolition over four years of the complex system of cross-border farm taxes and subsidies, subject of a long-running dispute between Paris and Bonn.
- Cuts in EC-supported prices of about 1 percent when denominated in European Currency Units for most products, including beef, pork, corn, olive oil and wine. Prices will be frozen for milk, sugar, rye and lamb and mutton. When translated into national currencies, these will be small price cuts for West Germany, the Netherlands and Britain and increases for all other countries.

Under the agreement, reached in an 18-hour session starting Friday, farm spending will be \$15 billion, or about \$860 million above what has been budgeted.

# 4 Latin Nations Join U.S. in Argentine Loan



Michel Rocard

By Peter T. Kilborn  
New York Times Service

WASHINGTON — Four Latin American nations have agreed to lend Argentina \$300 million as part of a multimillion-dollar debt-rescue package that will eventually include a \$300-million loan from the United States.

Some bankers see Argentine debt crisis as an exercise in "blackmail." Page 9.

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Donald T. Regan

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# Reagan Ends U.S. Role in Beirut Peace Force

By Richard Halloran  
New York Times Service

WASHINGTON — President Ronald Reagan has formally ended U.S. participation in the multinational peacekeeping force in Lebanon, freeing marines aboard Sixth Fleet ships off Beirut for duties elsewhere in the Mediterranean.

Mr. Reagan, in a report Friday to Congress, said U.S. "foreign policy interests in Lebanon have not changed."

"The United States has not abandoned Lebanon," the president said. He added, however, that U.S. participation in the force "is no longer a necessary or appropriate means of achieving these goals."

Administration officials said the number of U.S. warships off Lebanon had been reduced from about 25 to 15 in recent days. The officials indicated that the battleship New Jersey and the aircraft carrier John F. Kennedy were no longer close to Lebanon.

In Lebanon, 300 French troops, the last members of the multinational force still on shore, withdrew Saturday from Beirut.

Mr. Reagan said army trainers, Marine Corps guards and military assistance specialists would remain in Lebanon. Officials indicated, however, that their numbers might be reduced in the near future.

Of the Americans remaining behind in Beirut, the president said: "I do not intend or expect, under present circumstances, that these personnel will become involved in hostilities; nonetheless, U.S. naval and air forces in the Mediterranean area, including the U.S. Marines redeployed from Lebanon, are available to protect our military and diplomatic personnel should that need ever arise."

Robert Sims, a spokesman for the White House, said that future military activity would be undertaken "only in concurrence with the government of Lebanon, unless there is a situation in which military action is essential for the protection of American lives."

Mr. Reagan said: "The U.S. is committed to the goals of a restoration of a sovereign, independent and united Lebanon, the withdrawal of all foreign forces, and the security of Israel's northern border." He added: "We have discussed our decision with the government of Lebanon and the other MNF participants, and the other MNF countries have made similar decisions."

He said U.S. forces had lost 264 dead and 137 wounded in action in Lebanon. Of those, 241 were killed in a suicide attack on a Marine Corps post at Beirut International Airport on Oct. 23. Mr. Reagan also estimated that the operation had cost the United States about \$60 million in this fiscal year.

"These were heavy burdens and grievous losses for our country," the president said. "We owe a great debt of gratitude to those military and diplomatic personnel of the United States and other MNF countries who served their country so proudly to give the people of Lebanon a chance to achieve peace and national reconciliation."

When Mr. Reagan ordered the Marines to withdraw to ships in February, he said U.S. forces "will stand ready" to protect U.S. and other multinational force personnel and "thereby help assure security in the Beirut area."



Jonass Savimbi, left, and other guerrilla leaders in southern Angola singing patriotic songs.

# Rebels Propose Talks With Angola

By Alan Cowell  
New York Times Service

JAMBA, Angola — Jonass Savimbi, leader of an insurgent movement that claims to control or operate in two-thirds of Angola, says he wants to talk peace and form a government of national unity with the country's Marxist leadership.

But, at an unusual news conference Friday in Jamba, an isolated bush encampment that he calls a provisional capital, Mr. Savimbi said that, if his offer was rejected, he would carry his guerrilla war into Angola's cities.

Moreover, he said that if his pro-Western National Union for the Total Independence of Angola, or UNITA, was not accommodated in talks about South-West Africa, peace and stability in the region could not be secured.

The impression created by Mr. Savimbi's comments was that he was eager to win an acknowledged role in the U.S.-sponsored peace initiative for South-West Africa, or Namibia, so that his group would not be traded off for other concessions in the complex negotiations.

Mr. Savimbi's forces are largely from Namibia. Some South African commentators say that, if South Africa granted independence to Namibia or reached a rapprochement with Angola, as it has with Mozambique and Swaziland, Mr. Savimbi's position would be in jeopardy, since South African support is vital to him.

South Africa and the United States say a condition for Namibian independence is the withdrawal of the Cuban soldiers who have been supporting the Angolan authorities since 1975.

"If the Cubans are sent packing from Angola, Namibia shall henceforth be free," Mr. Savimbi said in a speech before his news conference. "However, as long as MPLA fears UNITA, the Cubans will not leave Angola. Therefore, the independence of Namibia depends upon a direct dialogue between UNITA and MPLA."

It was Mr. Savimbi's first public statement since the Namibia talks got under way in December.

On another issue, he said 16 British technicians, taken hostage six weeks ago, and held in Jamba, would not be released until Prime Minister Margaret Thatcher of Britain granted UNITA some kind of recognition.

But 44 Portuguese and 17 Filipinos captured at the same time will be freed as soon as the International Committee of the Red Cross arranges to take them out of Angola, he said. Mr. Savimbi is believed to hold about 140 foreign prisoners.

■ **Swaziland Pact Disclosed**

South Africa's foreign minister, R.F. Botha, disclosed Saturday that South Africa signed a nonaggression agreement with Swaziland more than two years ago. United Press International reported from Pretoria.

The pact is similar to the accord that South Africa and Mozambique signed last month, prohibiting either country from supporting rebels opposed to the other's government. Mr. Botha said. It has been in effect since Feb. 17, 1982, he added.

The agreements are seen as attempts by South Africa to curb guerrilla activity by the African National Congress, which opposes white rule in South Africa. Separately, South Africa has reached a cease-fire with Angola.

Mr. Botha also said Saturday that a meeting of southern African leaders was "not impossible," and that South Africa had been conducting talks with Lesotho and Botswana on nonaggression accords.

Reading a joint statement after talks with Swaziland's foreign minister, Richard Velaphi Dlamini, Mr. Botha said it was "deemed expedient at the time" the agreement was reached that it should be secret, but "now the political climate has changed to such an extent that it is considered expedient to make it public."

# U.S. Plans to Develop Anti-Satellite Weapon

By Walter Pincus  
Washington Post Service

WASHINGTON — The Reagan administration plans to develop and test an anti-satellite weapon and does not plan to seek a comprehensive ban on such weapons with the Soviet Union, according to informed administration sources.

Those views were contained in a report to Congress on anti-satellite weapons that President Ronald Reagan signed Saturday, the sources said. The unclassified document, with an appendix of secret material, is scheduled to be delivered to Capitol Hill Monday in response to an amendment on last year's defense appropriation bill.

The administration is still looking at the possibility of negotiating restrictions on some forms of anti-satellite weapons, the sources said. "But so far no one has been able to figure one out that would be verifiable and in the national interest," one official said last week.

Led by legislators who wanted to head off what they described as a costly militarization of space, Congress last year overwhelmingly approved two amendments that limited the anti-satellite program.

The first required a report on the president's arms control policy for such weapons by March 31, before the Pentagon could spend funds for items with long lead times that would be necessary to begin production of anti-satellite weapons.

The second, sponsored by Senator Paul E. Tsongas, Democrat of Massachusetts, required the president to certify that the weapons were necessary for national security and that the United States was endeavoring "in good faith to negotiate a mutual and verifiable ban" on all such weapons before the U.S. weapon could be tested against a target in space.

The report fulfills the first requirement but not the second. Sources said that since the test against a target is not scheduled to take place before this fall, the Tsongas restriction may be overtaken by Senate action.

Senator Larry Pressler, Republican of South Dakota, said Friday that he hoped to have a debate on anti-satellite weapons in April when the Senate takes up a joint resolution that calls for the president to negotiate a treaty with the Soviet Union on banning space weapons. The measure unanimously passed the Senate Foreign Relations Committee in November.

An official involved in the presidential report said Saturday that "it will be clear to readers of the report why we are not going to approach the Soviets on a comprehensive ban."

The report, he said, describes in detail not only how space is already filled with military satellites, but also how even the most rudimentary space vehicles and tests can be used for anti-satellite weapons.

The Soviet Union has had an anti-satellite weapon since the late 1960s. Launched into an orbit similar to its target's, it reaches a point close to its target after two or three revolutions around the Earth, then explodes.

Although some scientists have termed the Soviet system simplistic and easy to counter, Pentagon officials have argued that it is more sophisticated and can easily be upgraded without further testing.

The U.S. system is launched by a rocket that is initially carried to a high altitude by an F-15 fighter. The rocket fires a miniature homing vehicle carrying infrared sensors that guide it directly into the target satellite. Under current plans, the air force will hold its first development test against a target balloon in space this fall. It tried out the rocket system Jan. 21, and a similar test is expected shortly.

On March 23, the Soviet delegate to the United Nations Committee on Disarmament meeting in Geneva introduced a draft treaty that would ban the testing and deployment of anti-satellite weapons as part of a broader prohibition of arms in space.

The Soviet leader, Konstantin U. Chernenko, has listed a ban on space weapons as one of several steps the United States could take to show it is sincere about making progress in arms control.

# Haig Says U.S. Wrecked Lebanon Pact

By Bernard Gwertzman  
New York Times Service

WASHINGTON — Former Secretary of State Alexander M. Haig Jr. asserts that, in 1982, the White House wrecked "a breakthrough" agreement for a simultaneous withdrawal of Palestinian Liberation Organization, Syrian and Israeli forces from Lebanon.

Mr. Haig says that the agreement was worked out in early July 1982 but fell through when the White House made "an ill-conceived announcement" that it was prepared to commit U.S. troops to a peacekeeping force there.

"All that we had labored so hard to grasp, and had come so close to grasping, slipped away, with consequences not yet wholly revealed," Mr. Haig says in his memoirs, "Caveat: Realism, Reagan and Foreign Policy." Time magazine made public its exclusive installment of the memoirs Saturday.

Mr. Haig's version of the events leading up to and during Israel's invasion of Lebanon in June 1982 is a controversial one. Israeli authors and several U.S. officials have said Mr. Haig gave the Israelis "a green light" to invade.

They have contended that Mr. Haig did not argue forcefully enough with Israel's defense minister at the time, Ariel Sharon, during Mr. Sharon's visit to Washington in mid-May 1982, when he revealed to the Americans that Israel was contemplating an invasion.

Mr. Haig says that he had "a strenuous argument" with Mr. Sharon and told him "in the plainest possible language" that an attack by Israel without a clear "international recognition" would have "a devastating effect" in the United States.

Although Mr. Haig indicates that a dispute with William P. Clark, then the national security adviser to President Ronald Reagan, over Lebanon precipitated his leaving office, he regarded the failure of his mediation effort between Britain and Argentina over the Falklands in April as his "Waterloo."

Mr. Haig said that on July 2, after his resignation, he was still running policy pending George P. Shultz's confirmation as his replacement. On that day, he said, "a breakthrough finally came in the crisis over Lebanon."

"After intensive negotiations, the Syrians, the PLO, and the Israelis were prepared to leave Lebanon at the same time," he said. "Lebanon would be a free state." (Continued on Page 2, Col. 2)

# Where Hart and Mondale Really Stand: Subtle Differences on Issues

By Robert Pear  
New York Times Service

WASHINGTON — Gary Hart and Walter F. Mondale have been emphasizing their differences on a wide range of foreign and domestic issues.

But the differences are more complex and more subtle than the campaign oratory would suggest.

The disputes between Mr. Hart and Mr. Mondale have become increasingly bitter and seemed to reach a high point in their debate Wednesday night in New York.

The Rev. Jesse Jackson, the third major candidate in the race for the Democratic presidential nomination, said the "rat-a-tat-tat" between Mr. Hart and Mr. Mondale obscured the similarity of their views.

"The reason why they are having this kind of kinship struggle," he said, "is that there is such similarity in policies."

Here is a summary of positions taken by the three candidates.

■ **Central America**

Mr. Hart says, "The commitment of United States military force to Central America cannot be the answer to the problems." In newspaper advertisements last week, he said he had "called for the immediate withdrawal of U.S. combat troops from Central America." He recently introduced a bill that said, "The United States should withdraw military forces introduced into Costa Rica, El Salvador, Guatemala, Honduras or Nicaragua for training exercises or any other purpose on or after Aug. 1, 1983."

The senator, who was manager of George S. McGovern's campaign for the presidency in 1972, says Mr. Mondale "shows a frequent unwillingness to challenge the inappropriate use of American force."

Mr. Mondale argues, "The lesson from Vietnam is not that we should forgo power everywhere at all times." He says that because of his long experience in government, he would be more "sure-footed" in using such power. Mr. Mondale affirms what he describes as the internationalist tradition of the Democratic Party.

At the end of 1967, when Senators McGovern, Eugene J. McCarthy and J.W. Fulbright were calling on the Johnson administration to halt the bombing of North Vietnam, Mr. Mondale said he had no "fundamental objection to our policy in Vietnam." He did not publicly urge an end to the bombing until September 1968. He later said he was "one of those that needed to be brought to his senses on the issue of Vietnam," and he described his initial silence as "the worst mistake of my entire career."

Mr. Hart says, "In the Third World, the real enemy is hunger, poverty and disease, not communism." Mr. Jackson asserts that the revolutions in Central America are "indigenous in origin," not a result of an international campaign backed by the Soviet Union or Cuba. Mr. Mondale says the main problems in the Third World are both communism and poverty.

While Mr. Hart wants all U.S. armed forces removed from Central America by the end of April, Mr. Mondale advocates a more gradual approach. "I would draw down the number of our forces in Honduras," he said. "But before I would withdraw all of them, I would seek to negotiate an arrangement with Nicaragua in which they agree on a mutual basis to at least three things: first, the removal of such Cuban forces as are there; second, an agreement not to use MIG's in the region; and third, agreement to a nonintervention agreement that is enforceable along their borders and throughout the isthmus."

Mr. Jackson says the United States should halt military maneuvers in Honduras, and covert operations in Nicaragua and support to El Salvador contingent upon improvements in human rights. He says he would work for normalization of relations with Cuba.

■ **Allied Commitments**

Mr. Hart calls on the European allies of the United States to assume responsibility for a "greater share of the land defense of the Continent." He says the presence of U.S. ground forces in Europe is less important than the context of a "maritime strategy" that would permit the United States to defend its interests at sea. But he says it would be a "moral outrage" if the United States went to war to protect Middle East oil supplies for itself or Europe. "We never should be reduced to shedding the blood of a single American in an unnecessary war for someone else's oil."

Mr. Mondale says he would "keep faith with our European allies." He says he would not reduce the U.S. troop commitment in Europe and would help the allies preserve their access to Middle Eastern oil.

In the New York debate Mr. Jackson said the United States could reduce its troop strength in Western Europe.

■ **The Middle East**

Mr. Hart and Mr. Mondale have both been strong supporters of Israel. Mr. Mondale, having a longer public career, has had more opportunity to demonstrate his commitment, but American Jewish leaders see little to criticize in Mr. Hart's record.

Mr. Jackson says Israel "must recognize that the Palestinians have a right to self-determination or a homeland," just as he says the Palestine Liberation Organization should recognize Israel's right to exist. Unlike the other candidates, he has supported creation of "an independent Palestinian state on the West Bank and Gaza." The United States, he says, could be a much more effective mediator in the Middle East if it were willing to talk to the PLO.

Mr. Hart voted to disapprove President Jimmy Carter's decision to sell F-15 fighter planes to Saudi Arabia in 1978 and voted against President Ronald Reagan's proposal to sell AWACS radar planes to the Saudis in 1981. Mr. Mondale, as vice president, lobbied for. (Continued on Page 4, Col. 1)

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# U.S. Stops Chemicals Shipment to Iraq

By William R. Greer  
New York Times Service

NEW YORK — Customs officials at Kennedy International Airport have stopped a shipment of chemicals destined for Iraq that

could be used to manufacture nerve gas, a customs spokesman said. On Friday, the Reagan administration announced that it was imposing stringent conditions on the sale to Iraq of five chemical compounds that could be used in poi-

son gases. The United States and the United Nations have accused Iraq of using chemical weapons in its war with Iran. Iraq has denied the charges.

The shipment, 74 drums containing 1,100 pounds (498 kilograms) of potassium fluoride, was to be sent via KLM Royal Dutch Airlines to the Ministry of Pesticides in Baghdad, Iraq, according to Michael C. Kaufman, a spokesman for the U.S. Customs Service in New York.

Mr. Kaufman said Saturday that he thought the shipment, seized on Friday, was the first to be stopped since the United States introduced the restrictions on the sale of the chemicals, which include potassium fluoride, to Iraq and Iran. The other chemicals are dimethyl methylphosphonate, methylphosphonyl difluoride, phosphorus oxychloride and thioglycol.

The United States imposed the restrictions after the State Department said that Iraq had used nerve gas against Iran. Earlier, the United

States said it was convinced that Iraq had also used mustard gas. The intelligence officials have been quoted as saying that Iraq has nearly completed as many as five heavily fortified bunkers for storing, producing and assembling nerve gas weapons.

On Friday, John Hughes, the State Department spokesman, said he did not believe U.S. companies had been the source of the compounds used in the manufacture of the Iraqi mustard and nerve gases. Another official said West Germany, Japan and other European countries had exported such compounds to Iraq and that it would be difficult to try to block those sales if the United States did not first move against U.S. companies.

Mr. Kaufman would not identify the company shipping the chemicals, except to say that it was American.

Matthew Meselson, a Harvard biochemist and an authority on chemical warfare, has said that potassium fluoride can be used in the manufacture of a nerve gas known as GB or as Sarin.

Sarin is one of the most potent nerve gases and is stockpiled by the U.S. Army, according to a standard reference book on chemical warfare published by the Stockholm International Peace Research Institute in 1973.

In the past, officials said, no particular attention has been paid to the export of the five chemicals because they are fairly common and have been used in the manufacture of pesticides and other non-military products.

A broad range of commercial pesticides come from the same family of chemicals, known as organophosphorus compounds, to which the nerve gases belong. Chemical warfare experts agree that a plant making organophosphorus pesticides can also make nerve gas.



France's minister for external relations, Claude Cheysson, left, defense minister, Charles Hernu, center, and Lebanon's defense minister, Issam Khoury, during the ceremony to mark the withdrawal of French troops from Beirut.

## French Leave Beirut, Winding Up Peace Force

By E.J. Dionne Jr.  
New York Times Service

BEIRUT — Three hundred French soldiers, the last members of the multinational peacekeeping force, left Lebanon Saturday.

Their departure by ship came after ceremonies marking the formal end of the 19-month-old effort by France, Britain, the United States and Italy to bring peace to Lebanon. At its height, the four-nation force had 6,000 members.

The departure of the French troops was heralded by military bands that marched between empty cargo containers at Beirut's desolate port.

Intent on showing that the French departure was different from the U.S., Italian and British withdrawals, France tried to inject what pomp and grandeur it could under the unusual conditions in this divided and dangerous city.

France's minister for external relations, Claude Cheysson, and defense minister, Charles Hernu, were on hand to receive salutes from the 300 French soldiers and hear renditions of the Lebanese and French national anthems.

The French, Americans and Italians first arrived in August 1982 to oversee the withdrawal of Palestine Liberation Organization guerrillas. They left shortly after but returned in September after mass slayings of civilians at the Sabra and Chatila Palestinian refugee camps. In early 1983, Britain sent a small number of troops to join the contingent.

After victories in February by anti-government militias, the U.S., Italian and British troops withdrew, and President Amin Gemayel turned to Syria — the key Soviet ally in the region — for help in saving his government and bringing about a truce.

There were heavy casualties for the French and the Americans. The French had 89 dead and 110 wounded; the American force had 264 dead and 137 wounded. Most of the deaths came on a single day, last Oct. 23, when 241 Americans and 58 French troops died in suicide bomb attacks. From then on domestic pressure built in both countries to withdraw the troops.

After the ceremony Saturday, a French infantryman called the day's festivities "a big ceremony for public opinion to show we're leaving with our heads high."

"I regret leaving," he said. "First, because I love the country and I have many friends here. Second, because we fooled a lot of people. We inflated their hopes and then let them down."

France is leaving behind 40 observers to help oversee the cease-fire.

Israel Shells Bekaa Bases

Israeli artillery shelled two guerrilla bases in Syrian-held territory in eastern Lebanon Sunday for the first time in over a year, Reuters reported from Tel Aviv.

An Israeli Army spokesman said the bases, located near Bar Elias in the Bekaa Valley, were jumping-off points for a series of attacks in which eight Israeli soldiers were wounded in the past few weeks. The spokesman said there was no return fire.

At least one soldier was killed and two wounded in mountain clashes between the Lebanese Army and Druze Moslem rebels Sunday, but the Lebanese capital was relatively calm despite the pull-out of French peace-keeping forces, United Press International reported from Beirut.

U.K. Rail Union Supports Miners

The Associated Press

LONDON — After threats of increased picketing and a pledge from railmen to stop moving coal from the last major field still producing, Britain's 21-day miners' strike moved closer Sunday to a confrontation with the Conservative government.

A major rail union, the 24,000 Associated Society of Locomotive Engineers, said that beginning Monday its members would refuse to move coal from pits in the English Midlands county of Nottinghamshire.

This marked the first solid action by railmen in support of the miners.

## WORLD BRIEFS

### Weinberger Avoids Athens Base Issue

CESME, Turkey (WP) — The U.S. defense secretary, Caspar W. Weinberger, left Athens on Sunday without the assurances he had sought on Greek commitment to a stable U.S. military presence in Greece. U.S. officials said. But they said that they considered Mr. Weinberger's visit a success nonetheless.

A senior U.S. official traveling aboard the secretary's plane had said before the Athens visit that Mr. Weinberger hoped to gain some "understanding" of Greek intentions on four U.S. military installations in Greece, in which the Pentagon hopes to invest \$150 million or more during the next five years if the bases do not revert to Greece after 1989.

The officials, who asked not to be identified, suggested that Mr. Weinberger decided not to press the issue to avoid disrupting the surprisingly friendly tone of his talks with Prime Minister Andreas Papandreu. "That doesn't mean the issue won't now come up on an ambassadorial or working group level," an official said. Mr. Weinberger flew Sunday to Turkey for a meeting of NATO defense ministers beginning Monday.

### Mubarak Hints at Better Soviet Ties

CAIRO (AP) — President Hosni Mubarak has said that he hopes that Egypt and the Soviet Union will soon restore full diplomatic relations, according to excerpts from a recent interview.

Mr. Mubarak told the London-based magazine Al-Sayid, which will publish the interview on Wednesday: "God willing, relations will be restored soon." The official Middle East News Agency carried its version of the interview Sunday.

Mr. Sadat withdrew his ambassador from Moscow in 1978 because of Soviet opposition to peace with Israel and expelled the Soviet ambassador to Egypt in September 1981, the month before his assassination. Both nations maintain embassies in each other's capitals, but without ambassadors.

### Social Democrats Win Munich Runoff

MUNICH (Reuters) — The Christian Social Union of Premier Franz Josef Strauss of Bavaria lost control of Munich to the Social Democrats in runoff municipal elections Sunday.

The Social Democrats won control of West Germany's third largest city by a decisive margin, with the former Social Democratic mayor, Georg Kronawitter, taking more than 58 percent of the vote against 41.7 percent for Erich Kiesel, mayor of Munich since 1978.

The turnout was just over 71 percent, 6 percent higher than the first round two weeks ago when Mr. Kronawitter alarmed the incumbent Christian Social Union mayor by taking a big lead.

### French Steelworkers Attack Offices

LONGWY, France (AP) — Steelworkers in this northeastern city attacked public buildings and fought with riot police during the weekend while protesting the government's decision to cut the industry's work force by about 25 percent.

About 500 masked workers from the Usinor Rehobon steel plant, which is scheduled to be closed, attacked the town's treasury office early Saturday, breaking windows, ransacking offices and trying to set the building on fire. Officials estimated damage at the equivalent of \$75,000. The tax building and courthouse and the local headquarters of the Socialist Party were attacked Friday.

Four persons were injured Friday during an exchange between police firing tear-gas grenades and protesters hurling bottles of acid, bolts and stones. The violence was the worst since steel strikes began across the nation Thursday after the government said it would eliminate as many as 25,000 of the industry's 90,000 jobs in next three years by attrition and early retirement.

### Pravda Warns U.S. on Warheads

MOSCOW (Reuters) — Pravda warned the United States on Sunday against exceeding nuclear warhead limits set by the SALT-2 strategic weapons treaty, saying this would step up the East-West arms race. "The intention of the U.S. to brush aside its international obligations can only be viewed as a dangerous step which would escalate the arms race and whip up international tension," the Communist Party daily said.

The State Department has said Washington has not decided whether to exceed the ceiling of 1,200 multiple warheads fixed in the 1979 SALT-2 accord when it expires at the end of next year. The United States observes the treaty's limits although the U.S. Senate has never ratified it. Pravda said press reports from the United States had made it clear that Washington would breach the treaty's limits and said this was evidence of the Reagan administration's "militarist course."

### Romanian Is Found Dead in Paris

PARIS (Reuters) — A Romanian engineer was found dead on the pavement outside his country's commercial mission in Paris early Sunday.

The police identified the man from documents in his pockets as Nicolai Iosif, 52, an engineer from Bucharest and a member of the Communist Party. They said he had been stabbed in the heart and that a knife was found near his body.

The police also said that the man fell from the third floor, but they declined to give further details. Romanian Embassy officials were not available for comment.

### Japanese Ship Hits Mine in Nicaragua

MANAGUA (AP) — A Japanese freighter struck a mine in the Pacific port of Corinto, bringing to seven the number of ships damaged this month by mines planted by U.S.-backed rebels, a harbor official said.

The Japanese Foreign Ministry in Tokyo said two crew members suffered minor injuries when the vessel, the Terushio Maru, hit the mine Friday. It said the ship was damaged and that the Honduran-based Nicaraguan Democratic Force, which receives aid and training from the Central Intelligence Agency, and a smaller rebel group, the Costa Rican-based Democratic Revolutionary Alliance, say they have mined all main Nicaraguan harbors to prevent the entry of war supplies from Cuba and the Soviet Union.

Nicaraguan Foreign Ministry officials said three helicopters and three speedboats operated by rebels attacked a ship flying a Panamanian flag, the Ho Min, later Friday at Puerto Sandino. They said the ship "suffered no damage."

### Brazilian Counters on Direct Vote

RIO DE JANEIRO (AP) — Brazil's military president, General Joao Baptista Figueiredo, has announced that he will propose the direct election of the president in 1991.

The proposal, announced on nationwide television Saturday night, is intended to counter an opposition campaign that has prompted millions of Brazilians to demonstrate in the streets demanding the immediate re-establishment of direct elections for the presidency. General Figueiredo's proposed constitutional amendment would provide for popular elections only at the end of his successor's term.

The four opposition parties have demanded that General Figueiredo's successor, who is to take office in March 1985, be chosen by direct election. The next president will be chosen by an electoral college made up of congressmen, senators and six representatives of the majority party in each of the 23 states. The formula favors the ruling Social Democratic Party.

### For the Record

Eighteen small bombs went off in Corsica on Saturday night, causing no injuries but doing considerable damage to holiday homes, cars, banks and offices, police said Sunday. Three other bombs were set but did not go off. Police said most of the targets were connected with mainland France. (Reuters)

India's armed forces may break a national dock strike under a law the government plans to invoke within two days, a senior port official said Sunday. Union leaders left New Delhi during the weekend after a breakdown in pay talks aimed at ending the 18-day strike. (Reuters)

Ronald Clark O'Bryan was executed by lethal injection Saturday in Huntsville, Texas, for killing his 8-year-old son with poisoned Halloween candy. (UPI)

U.S. bankruptcy courts will be allowed to operate until May 1 under an emergency measure passed Friday in the House of Representatives. The Senate has also adopted the measure. (LAT)

Gary Kasparov surprised experts Sunday by offering a draw in the 10th game of the world chess finals. His opponent, Vasily Smyslov, accepted. Mr. Kasparov now leads 6.5 points to 3.5 and looks virtually certain to win the right to challenge the world champion, Anatoli Karpov. (Reuters)

Hundreds of physicians and medical workers clashed with police Sunday after blockading the entrance to a U.S. Air Force base in Munsingen, West Germany, where U.S.-built Pershing-2 missiles are stationed. Two persons were detained. (Reuters)

Sudanese guerrillas claim to have killed at least 131 government soldiers in attacks on a railroad bridge and a town on March 23, virtually cutting the government's surface links with southern Sudan, according to a rebel spokesman in London. (UPI)

### Journalists Strike N.Y. Post

New York Times Service

NEW YORK — Nearly 400 employees of The New York Post — including reporters, photographers and accounting and advertising employees — went on strike at midnight Friday after negotiations with the newspaper's management over a new three-year contract broke down, union officials said. The strikers, members of the Newspaper Guild, were supported by members of the newspaper's trade unions, including the mailers, stenographers and other craftsmen.

## Haig Says U.S. Wrecked 1982 Lebanon Accord

(Continued from Page 1)

non's security would have been internationalized. The Lebanese government was ready to function on behalf of all the factions in Lebanon.

It was reported at the time that the special Middle East envoy, Philip C. Habib, was working on a plan for withdrawal of all forces, but this is the first time any high official from that period has said an agreement had been reached. A participant in the negotiations, told of Mr. Haig's statement, said the agreement was not as firm as Mr. Haig suggests. The participant, who is still in the government, declined to be identified. He said he thought Mr. Haig was "playing tricks, either with history, or his memory."

Mr. Haig says he was summarily asked to quit as interim secretary

after calls from Mr. Shultz and Mr. Reagan on July 5. He said he was told to step down just when he believed that by July 9, "the PLO withdrawal could commence and the conditions for peace in Lebanon would have been established."

The "breakthrough" collapsed on July 6, Mr. Haig says, when Mr. Reagan, in response to press disclosures, "announced that he had agreed to commit U.S. troops to a peacekeeping force in Lebanon."

"With this ill-conceived announcement, attention was diverted for several vital days from the peace effort and focused instead on the meaning of committing American troops," Mr. Haig says.

"Superpower rivalry was re-awakened," he says. "The breach between Syria and the Soviet Union was mended by huge new

shipments of Soviet arms to Syria; Syria announced that under present circumstances, it would not accept the PLO; the PLO reneged on its agreement to withdraw from Lebanon; the Israelis announced that they were making logistic preparations to spend the winter in Lebanon."

Actually, an accord was reached in August 1982 on the withdrawal of PLO and Syrian troops from Beirut, but the larger issues of the pullout of all Syrian and Israeli forces from Lebanon were left to further negotiations that have never succeeded beyond the Israeli-Lebanese accord of May 17, 1983 — an accord that the Syrians never accepted and that the Lebanese government canceled last month.

Mr. Haig says his resignation was directly preceded by a sharp series of exchanges with Mr. Clark

over what instructions should be given Mr. Habib in the aftermath of the Israeli invasion. After one such argument, he says, he sent instructions to Mr. Habib without clearing them with the president.

On June 14, 1982, he says, Mr. Reagan reproached him for sending messages without his approval. Finally, Mr. Haig says, he told the president that "I simply can no longer operate in this atmosphere."

On June 24, he says, he and the president met again, and Mr. Reagan said he would not change the system. The next day, Mr. Haig says, after a working lunch, Mr. Reagan told him "On that matter we discussed yesterday, Al, I have reached a decision."

"He then handed me an unsealed envelope," Mr. Haig says. "I opened it and read the single typed page it contained. 'Dear Al,' it began. 'It is with the most profound regret that I accept your letter of resignation.' The president was accepting a letter of resignation that I had not submitted."

### Izvestia Denies Haig Claim

The Soviet government newspaper Izvestia said Sunday that a claim by Mr. Haig that the Soviet Union offered to sink the Soviet aircraft carrier *Invincible* for Argentina was a lie. The Associated Press reported from Moscow.

Mr. Haig, in his memoirs, has said that former President Leopoldo Galtieri of Argentina told him of the Soviet offer during the Falklands war in 1982.

Izvestia said: "Having launched such a fat canard into the political skies, Haig naturally left himself an avenue for retreat by adding that he was 'skeptical' of Galtieri's information. But even in that case, Haig's tale is not for children's ears," it said. "Anyone repeating a lie is himself a liar."

### Russians Plan Completion of Moscow Palace

Reuters

MOSCOW — The Soviet Union plans to complete the construction of a Moscow palace that was started by Catherine the Great 200 years ago and abandoned because she did not like it, the daily Moskovskaya Pravda said Sunday.

The Tsaritsyn palace in the southern suburbs of the city will be built entirely according to the original 18th century plans and turned into a museum, the local Moscow newspaper said.

The external walls of the palace were completed when Empress Catherine decided in 1788 that she did not like its neoclassic style and halted work on it. It was never given a roof.

Since then the ruins have been neglected and newspapers complained recently that mountaineers were inflicting enormous damage by practicing rock-face ascents on them.

Moskovskaya Pravda quoted a Soviet artist, Ilya Glazunov, as saying that the Tsaritsyn project was part of a program to give Moscow more buildings of character and a more Russian flavor.

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## AMERICAN TOPICS

In the New South,  
New Racism Is Seen

The schools in Sumter County, Georgia, were once known for having educated Jimmy Carter, whose political career as an advocate of the reform-oriented "New South" began with a seven-year stint on the school board. Today, they are being criticized as a symbol of a return to the racist Old South, in a reversal that Mr. Carter has called "a disgrace."

Now 81 percent black, the schools are run by an all-white school board, a white superintendent and a white lawyer, none of whose children or grandchildren attend the public schools. The changes have led to criticism from the Justice Department, the American Civil Liberties Union and various local reformers.

In Sumter County, the critics say, tax support for the schools has been slashed by two-thirds since they were desegregated in 1970, causing students there to place 17th among 187 Georgia districts in basic skills tests.

They also say that blacks, 43 percent of the population, have been kept off the school buses by a discriminatory election system, and that some school officials are more enthusiastic about all-white private academies than the public schools.

White flight to private academies, the critics say, means that public schools frequently are abandoned to blacks, while being governed by whites determined to limit local taxes.

And the critics say the county is not unusual. "Although Sumter County may be an outstanding and flagrant example of inequity, it is certainly not the only one," said Carol Edwards of the Southern Coalition for Educational Equity in Atlanta.

The Sumter County school superintendent, Ronnie Satterfield, replies that the county had opened a new \$5.5-million high school in 1982.

Although the school tax rate was cut sharply after desegregation, he said, in the past 12 years tax revenues have tripled with escalating property values in the county. The private academies, he said, are "irrelevant" to the issue of financial support for the 1,850 students in Sumter County schools.

A Princeton Thesis  
Spawns a War Game

Late last spring, when Nicholas Karp had to submit a topic for his senior thesis at Princeton

University in New Jersey, he told the Classics Department that he would like to design a game simulating the war of 49 B.C. between Julius Caesar and Pompey the Great.

The department rejected his proposal. A New York City game manufacturer, however, commissioned him to design a game dealing with the Vietnam War. The game, "Vietnam: 1965-1975," appeared last month at a price of \$20.

The game is for two players. One takes the role of the United States and South Vietnam, and the other represents North Vietnam and the Viet Cong. They re-enact the war and its military, political and economic aspects. The U.S. player must also contend with opposition to the war back home.

In the game manual, one section reads: "The U.S. player may wish to invade Cambodia and/or Laos at some point during the game. He may do so, although the penalties to U.S. morale are stiff. No U.S.-controlled units may ever enter North Vietnam."

The game ends in 1975, when the South Vietnamese government fell. "If it hasn't fallen by then," said Mr. Karp, now a 21-year-old senior, "it is judged a U.S. victory — only by game circumstances."

Use of Private Jailers  
Challenged in Texas

The American Civil Liberties Union chapter in Houston has gone to court to challenge the hiring of private security agencies to jail and guard federal prisoners and detainees.

In Houston, 140 people believed to be illegal aliens are being held in a motel guarded by employees of a private company, the Nashville-based Corrections Corp. of America. They are awaiting deportation or other hearings.

The civil liberties group contends that private agencies are not trained or equipped to do a humane job of incarceration, and that their profit motive may lead to cost-cutting at the prisoners' or the public's expense. But Paul O'Neill, the Immigration and Naturalization Service district director in Houston, says that government monitoring will ensure good conditions.

He says contracting is necessary because of manpower shortages, the high costs of building new detention centers, and the rising number of illegal aliens entering the country.

20 Years After Radio,  
TV to Offer Stereo

More than 20 years after stereo sound was introduced on FM radio, the same is about to happen to television. The Federal Communications Commission, by a unanimous vote, authorized the nation's 1,160 television stations last week to begin broadcasting in stereo.

The agency also authorized TV broadcasters to transmit a separate audio channel. This system would allow stations to transmit a program's voice track simultaneously in two languages.

A spokesman for an association whose membership includes TV set manufacturers said that some stereo TV material might be available by summer.

Inequality of Pay  
Extends to Pulpits

Clergymen are among the country's lowest-paid professionals, but another group does even worse — clergymen.

The National Council of Churches, in its first study of clergy salaries in 10 years, says that the median annual salary for a woman minister is \$14,000 to \$16,000. This compares with \$20,000 to \$22,000 for men.

"In all full-time categories of pastor, associate and assistant, clergymen earn consistently less than male clergy," said the council, which surveyed salaries of ministers in eleven Protestant denominations.

Campaign May Cause  
Bland Party Platform

With the Democratic presidential nomination still being hotly contested, the panel assigned the job of writing the party's platform, or statement of principles on which its candidates will run, are being told to avoid the candidates' pet causes and controversies.

The platform committee, which will hold hearings for the next two months, is headed by Representative Geraldine A. Ferraro of New York. Mrs. Ferraro says she is neutral in the race.

If a nominee emerges before the party's July convention, he will influence the platform. Mrs. Ferraro says. If the race is undecided, the document should be broad enough for any of the candidates to endorse.

## U.S. Ally in Honduras Is Deposed, Exiled

By Edward Cody  
Washington Post Service

TEGUCIGALPA, Honduras — The Honduran military and President Roberto Suazo Cordova have forced the resignation of General Gustavo Alvarez Martinez, the head of the armed forces. He has been sent into what they said was permanent exile.

General Alvarez's unexpected departure Saturday removed from the Honduran government a key official in making this country the pillar of U.S. attempts to confront Nicaragua's Marxist-led Sandinist government.

It raised the question of whether General Alvarez's successor, expected to be named this week, would continue the same level of cooperation with U.S. military maneuvers and the CIA-sponsored guerrilla war being waged against Nicaragua from havens in Honduras.

In a first indication, the president talked with Ambassador John D. Negroponte of the United States on Saturday and assured him Honduran foreign policy would remain on the same course, U.S. officials said. Another three months of military maneuvers will go ahead as scheduled beginning Sunday, they added.

In Washington, a State Department official said the United States was satisfied that "the constitutional mechanisms are working in Honduras and there is a commitment and practice of civilian control of the military." The department was said to believe that the dispute that led to the removal of General Alvarez was over problems of "internal management," not the U.S. role in Honduras.

General Alvarez, 45, was taken to Costa Rica in a Honduran Air Force plane, diplomatic sources reported. President Suazo assumed direct command of the Honduran armed forces pending nomination of a replacement, according to a series of communiques broadcast by the armed forces over a special radio network.

The military pledged continued allegiance to Honduras' democratic system and Mr. Suazo's constitutional authority as elected president, the communiques said. There was no sign of opposition to the swift removal and no reports of violence or troop movements.

General Alvarez's departure was accompanied by the resignation of his chief of staff, General José Bueso Roser, the chief of public security forces, General Daniel Bal Castillero, and the Navy chief, General Ruben Montoya.

Diplomatic sources said only General Alvarez was forced to leave the country. This was interpreted as a measure of his power, with Mr. Suazo and military officials apparently wary that his continued presence could endanger their authority under the new arrangements.

General Alvarez was brought to the armed forces command for a five-year term in April 1982, three months after Mr. Suazo was inaugurated and reportedly at the new president's request. His energy and ambition, along with a vehement opposition to Nicaragua's revolutionary government, swiftly combined to give him a leading role in running the country.

Mr. Suazo's poor health also created political space that General Alvarez filled eagerly. Mr. Suazo suffered a severe heart attack in August.

In foreign policy, General Alvarez worked closely with Mr. Negroponte and General Paul Gorman, chief of the U.S. Southern Command in Panama, to make Honduras into a bastion of military preparations against Nicaragua.

A series of military maneuvers has brought thousands of U.S. troops here on temporary assignments during the last two years, and Honduras has become command headquarters and rear base for the CIA-financed guerrilla war along Nicaragua's northern border.

It was unclear whether these policies and General Alvarez's decisive role in them were behind Saturday's sudden moves. Diplomatic sources with close access to the government said General Alvarez's rough manner with fellow officers and attempts last month by officers close to him to interfere with elections in the ruling Nationalist Party appeared to have been factors in his removal.

Diplomatic sources also noted indications that pointed to the possibility that General Alvarez's removal marked an assertion of authority by Mr. Suazo over the military. One of the communiques

said in part that it was the responsibility of the president "to ensure that the armed forces be apolitical, essentially professional, obedient and nonbelligerent."

A Honduran expert on the armed forces here declared, however, that given the Honduran military's history of political power, the president would be unable to depose the general without backing from the military. The departure of three high officers along with General Alvarez also seemed to indicate a split at the highest level of the 12,000-member military establishment.

This was likely to become clear only as a successor is chosen. Honduran law provides for the Supreme Council of the Armed Forces to nominate three officers and for the elected civilian Congress to pick one of them.

The Honduran expert, who asked not to be identified, said



Gustavo Alvarez Martinez

whoever came to the fore was likely to be less vehement in opposition to Nicaragua's Sandinist government and, as a result, possibly less eager to cooperate with the United States in regional military preparations.

Outgoing OAS Chief to Return Salary  
For Period He Was Paid as Lobbyist

Washington Post Service

WASHINGTON — Alejandro Orfila says he will return nearly \$22,000 he received as secretary-general of the Organization of American States during a period when he was also drawing a \$25,000-a-month salary from the public relations and lobbying firm of Gray and Co.

The Argentine-born diplomat ended his nine-year tenure at the OAS Saturday. At Gray and Co. he is vice chairman of a newly created international division.

In a letter sent Friday, Mr. Orfila apologized to the OAS's 30 members and said he would return his salary from the organization for the first three months of this year. He said he regretted that "an erroneous perception on my part" might have "resulted in damages to the institution."

Mr. Orfila signed his contract with Gray and Co. in July. On Feb. 1, he registered with the Justice Department as a foreign agent of Haiti, Turkey and seven other Gray clients. Early in March, Mr. Orfila traveled to Haiti, an OAS member, in his capacity as secretary-general and was honored at a state dinner.

OAS regulations prohibit the secretary-general and his deputy from holding outside employment and from "using or appearing to use their office for the purpose of private gain."

gafia said Saturday that he had dismissed Colonel Roberto Santivanez, the former chief of the army's special military intelligence unit, from the consul job, which he had held since November. He said the dismissal had been decided because of statements Colonel Santivanez had made.

On Thursday, senators and congressmen held a closed meeting with a Salvadoran official who the Salvadoran government now says was Mr. Santivanez.

The official, whose name was not given by the participants, repeated allegations he had made earlier, also without being identified, to The New York Times and CBS.

The official's testimony included charges that Roberto d'Aubuisson, the rightist leader who lost the first round of last Sunday's presidential

elections to José Napoleón Duarte, was the principal organizer of death squads in El Salvador, along with Colonel Nicolas Carranza, the head of the Treasury Police.

He said Colonel Carranza also served as a paid CIA informer. News reports have quoted U.S. officials as saying Colonel Carranza has received \$90,000 a year for providing intelligence to the agency. Colonel Carranza has denied any CIA association, and both he and Mr. d'Aubuisson deny any participation in the death squads.

In the three-hour meeting, the official described payments he said wealthy Salvadoran exiles had made for death squad assassinations, and what he said were the details of the killings in 1980 and 1981 of a number of prominent Salvadorans and U.S. citizens.

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# Where Hart, Mondale Really Stand: Differences More Subtle Than Oratory Suggests

(Continued from Page 1)

the F-15 sale, but he now says he privately opposed it. Many supporters of Israel opposed the F-15 sale on the ground that it threatened Israeli security.

Mr. Mondale has said he strongly favors moving the U.S. Embassy in Israel from Tel Aviv to Jerusalem. Israel has regarded Jerusalem as its capital since 1949, but the United States and many other countries have kept their embassies in Tel Aviv because they believe the status of Jerusalem should be decided through negotiations.

Mr. Hart says he supports moving the embassy although his position "evolved" over time. Mr. Hart declined to co-sponsor a bill offered by Senator Daniel Patrick Moynihan, Democrat of New York, that would require relocation of the embassy.

In a letter in February to an official of the Zionist Organization of America, Mr. Hart said that the status of Jerusalem could be resolved only through "negotiations involving all sides of the issue" and that the United States should move the embassy only if such negotiations gave Israel "sole responsibility" for Jerusalem. Mr. Hart later disavowed and apologized for the letter, saying it had been prepared

by his staff and did not reflect his views.

In a statement issued March 16, Mr. Hart said, "If elected president, I would move the U.S. Embassy to West Jerusalem, and he has reaffirmed that position since."

## Military Spending

Mr. Mondale says he would allow military spending to increase at a rate of 4 percent to 5 percent a year, after figuring in inflation. That is substantially less than the 13-percent increase in military appropriations, after inflation, that Mr. Reagan sought in the budget sent to Congress in February.

In an interview in December, Mr. Hart said he wanted to see military spending rise at an annual rate of 4.5 percent to 5 percent after inflation. But in February, when he released a comprehensive budget plan, he said the nation could meet its "true national security needs" with an increase of 3 percent a year after inflation, and this is the figure he now recommends.

In Congress, as a leader of the bipartisan "military reform" movement, Mr. Hart has said the Pentagon should spend more on manpower and combat readiness and less on procurement of expensive, complex weapons. He has recom-

mended less emphasis on heavy firepower and more reliance on rapid surprise maneuvers.

Mr. Jackson says there should be "zero real growth" in the military budget in the next five years.

All three candidates oppose proposals for the MX intercontinental missile, the B-1 bomber, new nuclear powered aircraft carriers, and nerve gas.

## Nuclear Weaponry

All three candidates support a freeze on the testing, production and further deployment of nuclear warheads, missiles and other delivery systems.

Advocates of arms control give high marks to Mr. Mondale and Mr. Hart. David Cortright, executive director of the Committee for a Sane Nuclear Policy, a private non-profit group, said that on this issue "the differences between Hart and Mondale are very slight or insignificant."

Mr. Hart did not co-sponsor a resolution supporting the freeze when it was first introduced in March 1982. He issued a statement saying the pursuit of numerical limits, though a "valid objective," was not enough. He offered a proposal calling for negotiations with the Soviet Union to prevent the use of

nuclear weapons, to reduce the danger of nuclear war through accident or miscalculation and to prevent nuclear terrorism.

Mr. Hart co-sponsored a freeze resolution in the next Congress, in January 1983. He also supported a proposal calling for the destruction of two nuclear weapons systems whenever a new one was built. Mr. Mondale opposed this proposal, asserting it was inconsistent with the freeze.

## Budget Deficits

The Democratic candidates all charge that President Reagan is responsible for the biggest deficits in U.S. history because he has cut income tax rates across the board while rapidly increasing the military budget.

A statement issued by Mr. Mondale's office said, "At the end of his first term, he would cut the Reagan deficits by more than half." Mr. Hart says he could reduce the deficit to \$78.5 billion in the fiscal year 1989. That is less than one-third of the \$248 billion deficit the Congressional Budget Office now anticipates for that year.

The Mondale and Hart proposals are mere sketches. Neither has anything like the amount of detail that Congress and the president re-

quire when they act on the budget.

The Congressional Budget Office says the Reagan program, if continued, will lead to federal outlays of more than \$1.2 trillion in 1989. Mr. Mondale said his proposals would save these amounts in the 1989 budget: \$30 billion to \$40 billion in the military; \$15 billion in health programs, mainly Medicare, the health insurance program for the elderly; \$10 billion in agriculture programs; and \$15 billion to \$20 billion in interest on the federal debt. In addition, he said his tax proposals would generate "at least \$60 billion" in additional revenue in 1989.

Mr. Mondale said he would spend \$30 billion more than the Reagan administration expects to spend on education, research and development, job training, industrial strategy, export subsidies, nutrition programs, legal services and environmental protection in 1989. His proposed budget and tax changes would, according to Mr. Mondale, reduce the deficit "more than \$100 billion in 1989."

Mr. Hart said his proposal for 1989, compared with the Reagan budget for the same year, would save \$44 billion in the military; \$3.5 billion in Medicare; \$55 billion in interest on the federal debt; and \$1 billion in subsidies for nuclear power and synthetic fuels.

Mr. Hart said his tax proposals would generate \$90 billion of additional revenue in 1989. But he would spend \$20 billion more than the Reagan administration expects to spend for education, job training, child nutrition, legal services and public works.

Taken together, these proposals, according to Mr. Hart, would reduce the deficit by roughly \$170 billion in 1989.

Mr. Jackson proposes deeper cuts in the military budget than the other two, but larger increases in domestic spending, so the net reduction in the deficit, \$70 billion, would be smaller than under his rivals' proposals. Mr. Jackson said he would reduce the military budget by \$80 billion in the fiscal year 1985, which begins Oct. 1. About \$60 billion, he said, could be saved by requiring the European allies, Japan and South Korea to pay defense costs now borne by the United States. The other rest, he said, would come from cutbacks in weapon programs.

Mr. Jackson said his tax proposals would raise \$50 billion of additional revenue. He would spend \$10 billion for "restoration of a portion of the safety net" for poor people and would increase spending on public works by \$50 billion.

## Tax Increases

All three candidates say they would raise taxes. Such statements are an unusual act of candor for presidential candidates, reflecting the depth of their concern about the deficit.

Mr. Hart proposes a 10-percent surcharge on corporate income taxes. He also proposes heavier taxation of foreign sources and a longer depreciation period for buildings. These proposals would generate \$35 billion of additional revenue in 1989, he says.

Mr. Mondale has proposed a "corporate minimum tax," amounting to 15 percent of a company's taxable income. He says his corporate tax proposals would raise \$21 billion in 1989.

Both candidates would raise individual taxes as well. They would defer the effective date of a law linking individual income tax brackets to inflation. This device, known to specialists as indexing, is scheduled to take effect next year. Now taxpayers whose wages rise with inflation are pushed into higher and higher brackets. The purpose of indexing is to eliminate the additional burden caused by inflation.



Senator Gary Hart, left, and Walter F. Mondale speaking in New York.

Mr. Hart and Mr. Mondale now say the government cannot do without the revenue that would be lost through indexing.

They would also limit the final installment of Mr. Reagan's three-year tax cut, approved in 1981. Mr. Mondale would limit the value of the tax cut for people with incomes exceeding \$60,000 a year. Mr. Hart would "cap the benefits" for anyone with income of more than \$30,000 a year.

All the candidates would ask Congress to impose a heavier tax burden on more affluent taxpayers. Mr. Mondale has proposed a 10-percent surtax on incomes above \$100,000 a year. Mr. Hart would impose a 5-percent surtax on incomes exceeding \$100,000 for couples and \$70,000 for individuals. Mr. Jackson would impose a temporary graduated surtax on incomes over \$25,000. It would range from 1 percent to 10 percent, with people in higher income brackets subject to the higher rates.

## Civil Rights

Mr. Hart was a co-sponsor of the comprehensive tax simplification bill offered last year by Senator Bill Bradley of New Jersey and Representative Richard A. Gephardt of Missouri, both Democrats. The bill would reduce the top rate for the individual income tax, now 50 percent, to 30 percent, while repealing most itemized deductions. Mr. Mondale says the bill "rests on sound principles."

All the candidates say they have been champions of civil rights, and all denounce the policies of the Reagan administration.

Mr. Jackson has spent all his adult life in civil rights work, starting in the early 1960s. He has continued that work in the last decade as president of Operation PUSH, a civil rights organization based in Chicago. One of his major campaign promises is tougher enforcement of the Voting Rights Act.

As a senator, Mr. Mondale was more prominent in civil rights battles than Mr. Hart has been. Mr. Mondale was a leader of the bipartisan bloc that won passage of the Fair Housing Act of 1968, which prohibited certain forms of discrimination in the sale or rental of about two-thirds of U.S. housing.

In 1975, Mr. Mondale led efforts to change Senate rules so it would be easier to end filibusters, which had often been used to block action on civil rights bills.

Mr. Hart has supported extension of the Voting Rights Act,

sponsored a resolution to deny tax exemptions to private schools that discriminate on the basis of race and opposed Mr. Reagan's efforts to abolish the Legal Services Corporation.

All three candidates support the proposed amendment to the Constitution to guarantee equal rights for women. All support the right of women to choose abortion and oppose efforts to restrict abortion.

Mr. Jackson said, "As a private matter, I would not, except in medically extenuating circumstances, advise a woman to have an abortion." He emphasizes that a woman who chooses to have an abortion must "be responsible and live with the consequences" of such a choice.

All the candidates support legislation to guarantee that women receive the same pay as men if they do work of comparable value. This principle goes beyond a 1963 federal law that requires equal pay for identical work. Mr. Hart has proposed legislation to ban economic discrimination against women.

All three candidates support federal legislation to forbid discrimination against homosexuals. All say they would issue an executive order banning discrimination on the basis of sexual orientation in federal employment.

Mr. Mondale says he has not decided whether the ban should apply to the armed forces. Mr. Jackson says there is "no reasonable basis" for excluding homosexuals from the military. Mr. Hart says that "military employment should not be restricted because of sexual orientation per se."

## Busing for Desegregation

In 1970, Mr. Mondale introduced a resolution to create the Select Committee on Equal Educational Opportunity, a basically liberal panel that served as a counterweight to the more conservative Judiciary Committee. Mr. Mondale became chairman of the select committee, held hearings and led Senate opposition to President Richard M. Nixon's proposals to limit the use of busing for school desegregation.

"Busing is the means, and at times the only means, by which segregation in public schools can be reduced," Mr. Mondale said in a Senate speech in 1972.

Mr. Jackson and Mr. Hart have also opposed efforts to prevent the use of busing as a means of school desegregation.

As vice president, Mr. Mondale

urged the Justice Department to make a strong defense of affirmative action in the case of Allan P. Bakke, a white who challenged a special admissions program at the medical school of the University of California at Davis.

In response to a questionnaire from Mayor Edward I. Koch of New York City, Mr. Mondale said: "I strongly support affirmative action to correct past discrimination. I reject the use of quotas."

Mr. Hart said: "I support quotas, as an alternative to so-called 'weaker' forms of affirmative action. If the use of such a remedy is necessary to remedy the effects of past discrimination," Mr. Hart listed criteria he would use in evaluating the need for quotas.

In a letter to a constituent, Mr. Jackson says that numerical goals and quotas may sometimes be necessary to eradicate the effects of 200 years of discrimination.

## Gun Control

Mr. Mondale advocates a ban on the small handguns known as Saturday night specials. Mr. Hart said Wednesday in New York that he had "opposed federal gun control laws." However, he had previously expressed support for a "cooling off period" between the time a person buys such a gun and the time when it can be taken home. This requirement, he says, would permit the authorities to check whether the purchaser had a criminal record.

In a letter to a constituent, Mr. Hart said he supported "the right of law-abiding citizens to enjoy the legitimate uses of firearms," and he said he would "oppose any infringement of that right."

Mr. Jackson advocates stiffer, more comprehensive gun controls than the other candidates. He favors licensing of handgun owners, a freeze on manufacturing and importing handguns and a ban on selling and possessing handguns.

## Other Issues

All the candidates are against proposed constitutional amendments that would permit organized prayer in public schools.

All oppose a comprehensive immigration bill proposed by Senator Alan K. Simpson, Republican of Wyoming, and Representative Romano L. Mazzoli, Democrat of Kentucky. The bill would require job applicants to show they were citizens or legal aliens and would prohibit the hiring of illegal aliens. The candidates say this could increase discrimination against Hispanics.

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## Mondale Criticizes Hart's Remarks on Europe

Compiled by Our Staff From Dispatches

NIAGARA FALLS, New York —Walter F. Mondale has said that Senator Gary Hart's remarks about cynicism and distrust of government in Europe continue "a peculiar pattern of mistakes and errors on foreign policy" by his principal rival for the Democratic presidential nomination.

In New York, where both men are campaigning for that state's primary election Tuesday, Mr. Hart later backed away from his comments on Europe.

The Colorado senator had called Richard M. Nixon "the first European president we've ever had" because of the cynicism he introduced into the American system, and had said, "Now we're encouraging people to have disrespect for the government and in the process I think Europeanizing this country."

Later, Mr. Hart said, "Europe-

anization was too sweeping a term, I guess." He said he had meant that, historically, "older societies" have a tradition of "corruption or tilting of ideology to radical extremes one way or the other."

These societies "tend to have become less idealistic generally," he said, and are "often cynical or skeptical about the governmental process."

At a press conference, Mr. Mondale said Saturday that Mr. Hart's remarks showed that he was not "sure-footed and solid."

"If a president had said what Mr. Hart said, he would have to spend weeks explaining what he meant," Mr. Mondale said. "This instance is the latest in a series by the senator that creates doubt."

Also Saturday, the former vice president gained ground against his rivals as Democrats chose another

62 delegates to the party's national convention in July.

Mr. Mondale won 23.8 delegate votes, while the Rev. Jesse L. Jackson won 7.2 and Mr. Hart won 4. Another 27 were chosen uncommitted.

The partial votes came from the Virgin Islands, whose five delegates will divide the territory's three convention votes. Mr. Mondale picked up 1.8 votes and Mr. Jackson 1.2.

Mr. Mondale's biggest victory came in Kentucky, where he gained 20 delegates in county caucuses. Governor Martha Layne Collins had hoped to lead a mostly uncommitted delegation to the convention, but only 24 fell into that category. Mr. Jackson took 6 delegates and Mr. Hart 3.

Alabama became the first caucus state to finish its selection of delegates when the state's Democratic Party Executive Committee named 21 delegates to slots guaranteed by earlier caucuses. Six unpledged delegates were also chosen, but two said they were committed to Mr. Mondale and one to Mr. Hart.

Mr. Mondale now has 728.8

votes, Mr. Hart 440, and Mr. Jackson 101.2, while 360 are uncommitted or pledged to others. A total of 1,967 votes is needed for nomination.

The mounting delegate count pointed up the importance of New York's primary and the 252 delegates at stake.

Most politicians said the results were especially important for Mr. Hart, as an opportunity to close the delegate gap between himself and Mr. Mondale, and for Mr. Jackson, to further demonstrate that he can attract the strong support of the black community.

Recent polls have shown Mr. Mondale and Mr. Hart running within six percentage points of each other, with Mr. Jackson in third place.

Mr. Mondale has the backing of every major Democrat in the state, including Mayor Edward I. Koch of New York and Governor Mario Cuomo. But Mr. Mondale's aides said Mr. Hart was spending at least twice as much as Mr. Mondale for advertising.

(AP, UPI, NYT, LAT)

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# Like 'School Chums,' Nazi Veterans Gather

## Despite Protests, Former SS Men Meet in Village 'for Nice People'

By William Drozdiak  
*Washington Post Service*

OBERAULA, West Germany — Inside the small gymnasium, a few former soldiers from the 3rd SS Panzer Division known as "Death's Head" sought to justify their place in history, speaking in soothing, reassuring words.

"I never saw the concentration camps from the inside," said Wolfgang Schneider, who lost his left arm in the war. "We were always outside, and what could we do? Run away?"

"We were soldiers; we never had anything to do with National Socialism," said Ulrich Hammer. "We simply like to meet every year to see old comrades and enjoy each other's company."

"That's right," said Karl Morath, another member of the elite Nazi German Army division. "It has nothing to do with politics. It's just like meeting with one's old school chums."

"I'm not an old Nazi and I'm not a new Nazi," claimed Kurt Meyer, who said he was wounded seven times during the war. "In fact, I'm a liberal."

The 300 survivors from the Death's Head Division who gathered here during the weekend had planned to hold another quiet annual reunion to drink beer, catch up on family matters with friends and perhaps discuss how they have become reconciled to their own roles in a terrible chapter of German history.

But the past of the Death's Head alumni could not escape the present. The division, once an offshoot of Hitler's body guard that became a crack fighting regiment, had been blamed for massacres in Eastern Europe and the brutal occupation of The Netherlands. Their members also served as guards at concentration camps.

Earlier this year, Volker Hundhausen, a local Protestant minister involved in anti-Nazi activities, discovered that the Death's Head unit had been holding clandestine reunions in Oberaula two years, meeting under the title of the Lake Ilmen's Holiday Association. Lake Ilmen is a site near Leningrad where the Death's Head unit waged one of its fiercest battles against the Russians in 1945.

When word of this year's reunion leaked out, the West German government received a torrent of complaints from trade unions, Jewish organizations and the Dutch parliament, which asked for a ban on such gatherings.

The Bonn government expressed its sympathy with those opposed to the Death's Head reunion but said that it could not prevent the gathering because meetings of former Nazi soldiers were not considered illegal as long as the veterans did not propagate Nazi ideas.

On Saturday, more than 4,000 demonstrators staged a peaceful protest march through this Hesian village, bearing wooden crosses and anti-Nazi banners while chanting, "Nazis, get out of this town."

Before they convened their private sessions behind locked doors that were guarded by dozens of policemen, several of the former soldiers from the Death's Head Division tried to explain that their reunions were motivated by friendships formed in battle and not futile yearnings to keep alive the spirit of Nazism.

"We are children of Germany," said Kurt Meyer, pointing to the array of medals on the lapel of his gray suede jacket. "A country has only one history and you cannot throw away the bad and just keep the good."

"We regret the concentration camps but we are proud that we now live in a free country with a good future. Each day since 1945, for me and my comrades, has been like a special gift from God."

Mr. Meyer insisted that he did not regret losing the war, because his countrymen ultimately gained new freedom and allies.

"No, I'm not sorry we lost," he said. "We now have friends like the United States, France and Italy, and it is unthinkable that we would go to war again with each other. Instead, we are standing together against the East."

He said that his colleagues were painfully aware of atrocities committed against the Jews. A group of former Death's Head soldiers paid a visit Friday to the local Jewish cemetery. Mr. Meyer said that the Jewish burial ground "did not look as good as it should" because many of the tombstones laid inexplicably broken on the ground.

Kurt Hoffmann, who introduced himself as the director of the Lake Ilmen's Holiday Association, said the group represented about 600 living members of the Death's Head Division scattered throughout European countries.

Paul Steiner, the treasurer of the Death's Head group, insisted that the members support their reunions and help each other's families through personal contributions. "We do not get our money from Argentina, Potsdam [East Germany] or any other foreign source," he said.

The political dispute over the Nazi wartime unit has not pleased the villagers in Oberaula who promote the fresh air and rustic virtues of their region through a tourist campaign with the slogan "Reserved for Nice People."

Mayor Hans Joachim Schindler said that he had been opposed to allowing the Death's Head unit to hold their reunions in the village but that he had been overruled by local business interests.

He said he intended to block future gatherings in Oberaula because "this sort of thing could ruin our good reputation as a holiday resort."



Josef Mungitsch, a former member of the Nazi SS "Death's Head" Panzer division, points out a death head lapel emblem at a reunion in Oberaula, West Germany.

# Bishops' Letter Defends Role of Cross in Poland

Compiled by Our Staff From Dispatches

WARSAW — Poland's Roman Catholic bishops, fighting the government's efforts to restrict the public display of crucifixes, defended the cross Sunday as a symbol of Polish nationalism and the country's Christian culture.

A pastoral letter, read from pulpits in all churches, was the bishops' response to the determination of Prime Minister Wojciech Jarnalski's government to remove all religious symbols from state property, including schools.

In Gdansk, Lech Walesa, who led the Solidarity trade union before it was banned, vowed that Poles will use "all means available" in the battle against the removal of crucifixes.

The pastoral letter was drafted at a two-day council of the bishops, which informed the government that the church wanted compromise but would not surrender to pressure from the government.

Churches across the country were packed to hear the reading, which quoted the words of Pope John Paul II: "We must restore to the cross its proper place in Polish life by all the means available to us." The church claims the allegiance of 90 percent of Poland's inhabitants.

The dispute broke out last month when the ban was enforced at a school in Garwolin, 40 miles (70 kilometers) east of Warsaw. The local bishop, Jan Mazur, has sworn to live on bread and water until a solution is found.

Mr. Walesa accused authorities of striking at "the weak" by stripping crosses from the walls of schools instead of factories. "It is obvious that the authorities are not trying to remove crosses from our workplaces because they will not attempt to take away from the working people what the people will not let them take," he said.

Mr. Walesa noted that crosses hang in "the majority of Polish enterprises" and "do not interfere with the state character of the enterprises, or with the lay character of the state."

(Reuters, AP)

■ **Gasoline Price Raised**

The price of gasoline was raised 25 percent Sunday without warning. The Associated Press reported from Warsaw. Taxi fares also were raised, by the equivalent of about 12 cents a kilometer, the official PAP news agency said. Lack of hard currency has kept the government from importing more crude oil to meet rising demand.

■ **Poles Defect in Austria**

Twenty-three members of a Polish tourist group vacationing in Austria failed to return to their buses and are assumed to have defected, United Press International reported from Vienna Sunday.

"Two buses of Polish vacationers arrived at the Austro-Hungarian border crossing of Klingbach Saturday night, and customs officials discovered that 12 were missing from one bus and 11 from another," an Austrian interior ministry spokesman said.

# Czech Terms U.S. Bases Missile Target

## General Says Prague Upgrades Air Defense

VIENNA — The commander of the Czechoslovak Army, Colonel-General Miloslav Blahník, says that new Soviet missiles in his country are being aimed at U.S. nuclear missile bases in Western Europe and that Czechoslovakia is upgrading its air defense system.

General Blahník, chief of the army's general staff, also said that Czechoslovakia's new defense measures would not affect neutral and nonaligned countries. His comments were reported Saturday in Rude Pravo, the Communist Party daily.

The Ceteke news agency quoted him as telling Rude Pravo that the Soviet bloc would "never allow the United States and NATO to achieve military supremacy whatever way they use."

General Blahník referred to the deployment in five member states of the North Atlantic Treaty Organization of new medium-range cruise and Pershing-2 nuclear missiles and to retaliatory measures by the Warsaw Pact. The Warsaw Pact contends it is sitting new weapons in Czechoslovakia and East Germany to counter the U.S.-made missiles; NATO contends it is deploying its missiles to counter Soviet SS-20 missiles sited in the Soviet Union.

Western diplomats believe that the missiles sited in East Germany and Czechoslovakia may be mobile and armed with Soviet SS-20 type.

"The new operational-tactical complexes are designed only to destroy bases and launchpads of U.S. nuclear weapons in the case of an armed conflict," General Blahník said. "They are not installed in countries or regions where the balance of forces would be upset and the sovereignty of neutral and non-aligned states could be jeopardized."

He added, without elaborating, that "the Czechoslovak people's army is adopting measures to raise the effectiveness of anti-aircraft defense and to master ways of destroying new systems introduced in NATO armed forces."

# House Unit Is Expected To Report Reagan Aides Received Carter Papers

## By Robert L. Jackson *Los Angeles Times Service*

WASHINGTON — After 10 months of investigation, a House subcommittee is preparing to issue a report that is expected to say that Edwin Meese 3d and other officials of Ronald Reagan's 1980 presidential campaign regularly received confidential documents and other data from the campaign of Jimmy Carter.

The report is to be issued this month by the House Post Office and Civil Service Subcommittee on Human Resources. It is expected to contain evidence that the Reagan campaign received the fruits of extensive campaign espionage against Mr. Carter, contrary to statements by Mr. Meese, William J. Casey and others involved in the Reagan campaign.

A finding that top aides to President Reagan made serious misstatements about the ethical standards of the Reagan administration, according to sources familiar with the inquiry. The sources asked not to be identified.

Mr. Meese, the White House counselor who has been nominated as attorney general, is already the focus of controversy because of questions about his personal finances. Further Senate hearings on his nomination have been postponed while a special prosecutor investigates his financial affairs.

The House subcommittee investigating the 1980 campaign will base its report on FBI and subcommittee interviews as well as on documents from the Reagan campaign files. The subcommittee is headed by Donald J. Albosta, a Michigan Democrat.

The Justice Department said in a brief public report Feb. 23 that it had found no criminal behavior in what some have called "debate-gate," a reference to a Carter debate briefing book that came into the possession of Reagan campaign officials. Similarly, the Albosta report is not expected to accuse anyone of criminal wrongdoing, although the conflicts it will cite in the statements of key witnesses may raise questions about their credibility, the sources said.

Although the Justice Department said FBI agents interviewed 220 witnesses, some critics have said that several potentially key witnesses were not contacted. They included James T. Lynn and Loren Smith, counsels to the 1980 Reagan campaign.

An FBI spokesman said that the agency "believes that its investigation was complete" and has turned over all its interviews to the Albosta subcommittee.

The subcommittee has not disclosed a complete list of the people it interviewed, but the list is understood to include many witnesses not contacted by the FBI.

The Justice Department's three-page report of its investigation tended to dismiss conflicts between the statements of witnesses or between their statements and what the records showed.

But the Albosta subcommittee report is expected to take a harsher view. More than 100 pages of documents obtained from Mr. Meese's campaign files and turned over by the subcommittee for the Senate Judiciary Committee's investigation of the Meese nomination show the kind of misstatements on which the House subcommittee's final report is expected to focus.

Mr. Meese, in a written statement provided to House investigators July 18, said that "to the best of my recollection, I have no knowledge of, and had no participation in, any transactions involving material produced for President Carter or any mechanisms for obtaining such material." He said that he had "no personal knowledge of the use of any such material by anyone involved in the campaign."

But the Albosta subcommittee gave Senate investigators a memorandum found in Mr. Meese's files from Max Hugel, a campaign aide. Mr. Hugel was later appointed to a top job in the Central Intelligence Agency that he since has left.

The memo, dated Aug. 11, 1980, included a copy of a confidential Carter campaign document outlining Mr. Carter's plans to enlist support from rural and small-town delegates at the 1980 Democratic National Convention. Mr. Hugel's note to Mr. Meese also mentioned Mr. Casey, who then was Mr. Reagan's campaign manager and who now is director of the CIA.

Referring to the Carter document, Mr. Hugel's memo said: "Bill Casey asked me to have you review this memo which fell into my hands and to come up with some of our own strategy on this particular subject that might counteract this effort" by the Carter campaign.

According to the Albosta subcommittee, Mr. Meese, when confronted with the Hugel memo by FBI agents, said he probably had seen it backing away from his previous broad denial. Mr. Casey, however, has repeatedly denied having had any pilfered Carter material, saying he would not have touched it "with a 10-foot pole."

But the White House chief of staff, James A. Baker 3d, who was in charge of preparing Mr. Reagan for his campaign debate with Mr. Carter, has said he briefly saw some Carter debate papers provided by Mr. Casey.

■ **Reagan Takes Offensive**

Sara Fritz of the *Los Angeles Times* reported from Washington: President Reagan is leading a public relations offensive to defend Mr. Meese against attempts by the Democratic Party to exploit the Meese controversy and similar issues.

"I'm the guy they're after with their demagoguery," Mr. Reagan said in an interview published Friday. He then challenged his Democratic critics: "Well, all right then,

# On April 1, A Warning of A 'Tuba Gap'

## United Press International

WASHINGTON — In a news release bearing an April Fool's Day release date, Representative Thomas J. Downey has proposed seizing the "musical high ground" and closing the "decibel gap" between U.S. and Soviet military bands.

"Besides having a vast numerical superiority in tubas, trombones and piccolos, the Soviets have introduced mobile amplifiers into their marching bands," the New York Democrat said.

"With our technological advantage in computerized musical synthesizers, a single GI could deliver the harmonic power of what now takes a brigade of bassoonists," he adds.

An aide said Mr. Downey's real goal is to see less money go to military music programs and more to civilian programs. The Reagan administration wants \$139 million for military bands for fiscal 1985.

come after me, but quit picking on people who haven't done anything wrong."

Frank J. Fahrenkopf, the Republican Party chairman, also issued a statement Friday accusing the Democrats of "character assassination," and of broadcasting "half truths."

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# Volunteers' Strike Delays Rescue in France; Man Dies

## United Press International

ST. GAUDENS, France — A French cave explorer trapped in a flooded cavern died of cold and exhaustion Sunday after his rescue was delayed more than an hour while volunteer workers struck to demand pay, police said.

Christian Peris, 35, died after he was pulled from the cave 200 meters (218 yards) underground at a ravine in the Pyrenees mountains in southwestern France.

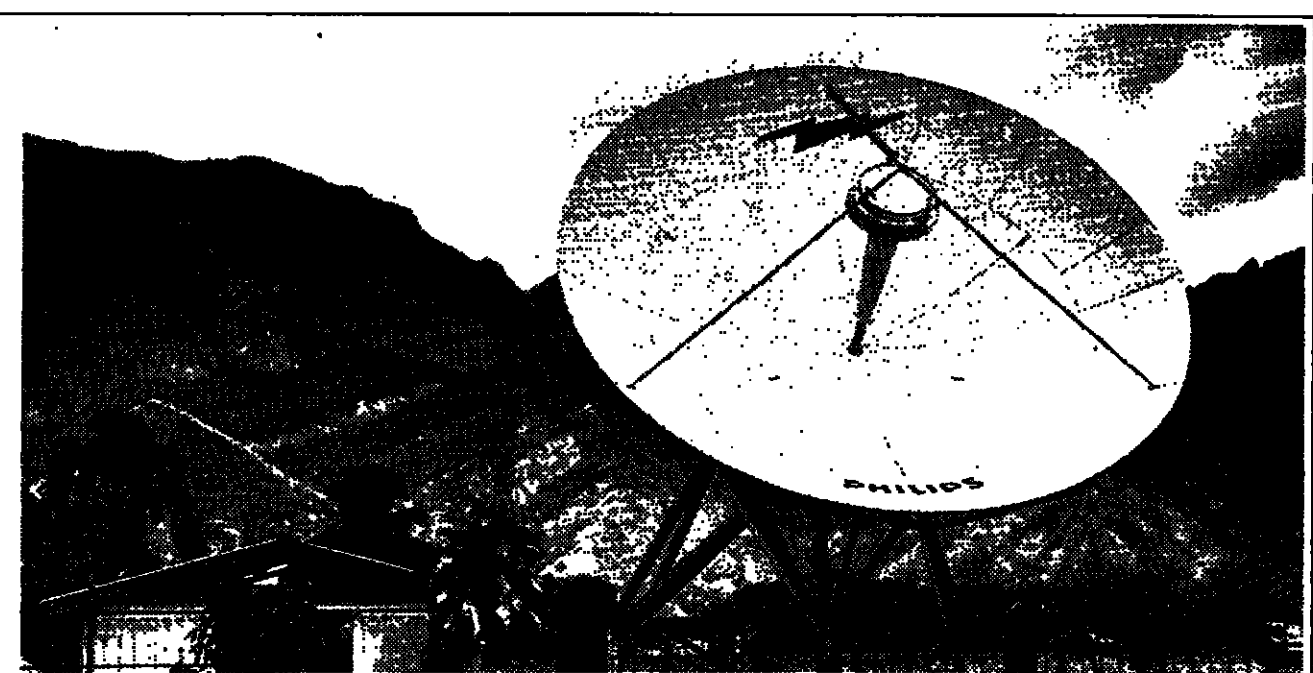
The rescue squad of 12 men and two dogs released a statement Sunday morning saying they would not carry out missions unless they began receiving payment for their dangerous, specialized work. A rescue squad spokesman said trained rescue crews were paid in other regions of France.

Two of the five cave explorers had abandoned the outing hours before water broke through the rock and flooded an underground cavern. One climbed to safety, leaving Mr. Peris and another man, Pascal Soriano, trapped. Mr. Soriano managed to free himself.

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controlled telephone network, which has increased subscriber capacity by more than 1 million lines.

The joint venture also received a new order: to establish an automatic mobile telephone system. This project involves building 48 base stations, covering 32 cities and the main traffic corridors. On completion, it will enable the Saudi Arabians to telephone from their motor cars to anywhere in the world.

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7th April 1984



# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Banish Chemical Weapons

Iraq denies that it has used chemical weapons against Iran, in violation of a 1925 Geneva treaty that both signed. But the U.S. government reiterates that it has. And a United Nations team concluded after inspecting battle zones that someone had employed mustard and nerve gas. Now it appears that Iraq has acquired West German equipment for mass-producing chemical weapons. On present evidence, Iraq is breaking its word and compounding the offense by denying it.

These are not minor infractions. All wars are terrible, but some weapons are more terrible than others, and the loathing for poison gas is nearly universal. If in desperation Iraq invokes this forbidden weapon, its example will embolden others, including terrorists, to reach into the same diabolic arsenal.

Unlike nuclear arms, toxic chemicals are cheap to produce and to use. A pesticide factory can be converted to make nerve gas at modest expense. As zealously as it sought nuclear technology from France, Iraq has long been shopping for pesticide technology in Europe. Apparently it found a West German company willing to supply a plant capable of turning out Tabun, a nerve gas. The factory is thought to be still under assembly.

Such a purchase is not illegal, and Iraq may have some genuine peacetime need for insecticides. But this is not peacetime. Iraq is broke and it has been experimenting with chemical

weapons. Nerve and mustard gases are very different from "yellow rain," the unusual toxic substance that the United States accuses the Soviet Union of using in Afghanistan and Indochina. The production and use of mustard and nerve gases is much more easily proved.

The U.S. State Department finds the evidence against Iraq compelling and has properly condemned it. The gravity of the charge is underlined by the fact that Washington has no desire to tilt against Iraq or toward an Iran proclaiming that the road to Jerusalem leads through Baghdad. The Soviet Union, too, seems eager to prevent the collapse of Iraq, which also obtains arms and credits from Western Europe. This could be an influential consortium — if it speaks with one voice against chemical weapons and threatens Iraq with sanctions if necessary. The new American restrictions on selling Iraq and Iran certain chemical ingredients of poison gases need to be rapidly adopted by other nations.

Once this immediate threat is overcome, Washington and Moscow can lead the world in banishing these poisons. A new Geneva agreement to outlaw the production and use of chemical and biological weapons awaits only their agreement on verification procedures. The case for verification is made even stronger by the current demonstration of how easily bug-killers can be turned into people-killers.

— THE NEW YORK TIMES

## Elections Aren't Enough

We admire what the Salvadorans have done, again, in conducting an election in the middle of a war. In various places guerrillas broke their leaders' pledges and sought to intimidate voters. Other voters had to contend with the administrative chaos introduced chiefly by a North American penchant to computerize a voting process that went all right the last time without computers. Still, an estimated million or more citizens went to the polls.

It is painfully evident, however, that elections alone cannot ease El Salvador's travail. This is not a country ruled by law. The election gear is not firmly connected to the other power gears. The guerrilla left continues its two wars, the one against the armed forces and the other, crueler war against the economic structure — that is, directly against the people. It remains to be seen whether the feudal right, well-connected in parts of the military, will respect the electoral process; meanwhile it continues to gun citizens down. It is doing less of this than before, you say? It should stop, period.

Before the first estimates of the results became known, President Reagan hailed the election as a "victory for freedom over tyranny." He was taking a chance, as he had done in the first place in encouraging El Salvador to

hold elections now. The potential benefits were two: to give El Salvador a popularly elected government and to give the Reagan administration a bright exhibit in its case before Congress for more aid. The risk was and is that elections in a country at war may further polarize the population and produce a winner near the center (José Napoleón Duarte) that the army will not accept, or a winner on the right (Roberto d'Aubuisson) that the U.S. Congress will not accept. Mr. Duarte won a plurality on March 25. April will be tense, and the runoff will not dissolve the tension.

The guerrillas refuse to put down their guns. The government should not be punished for this by having its armed forces kept on a short U.S. aid tether. Congress should vote the emergency aid. But El Salvador's first need remains to diminish the war. Therefore the Reagan administration must make more room for the conciliatory forces faintly at work. Those forces arise from the would-be Contadora mediators and from the Salvadoran tendency, expressed best by Mr. Duarte, to "open up a national dialogue to give a political place to all the sectors." Whoever wins the runoff, the United States must encourage that tendency.

— THE WASHINGTON POST

## Now It's New York's Turn

America's attention span is now about nine days. If you doubt it, think back to Feb. 27, the day before the New Hampshire primary, and recall how many phases the Democratic campaign has passed through in 34 days.

First came the Coronation Phase. Every forecaster thought Walter Mondale would win New Hampshire, maybe even by as much as his 45-15 Iowa margin over Gary Hart.

Then came Hart Shock: The Colorado senator's stunning victory created a cyclone that nearly blew the Mondale candidacy away. It took the former vice president more than a week to recover his footing.

Next came Super Tuesday. Mr. Hart won Florida and Massachusetts. But victories in Alabama and Georgia kept Mr. Mondale aloft until the campaign moved to the Industrial State Phase — starting with Michigan and Illinois, where Mr. Mondale won — which continues now in New York on Tuesday.

Four phases in five weeks, phases of a strange political moon. All of us pundits may not understand it, but we have plenty of labels for it: Violent gyrations, startling velocity, amazing volatility. Adam Clymer documented it last week in a report on a New York Times-CBS News Poll that found that about half of all Democrats have changed their choice for president in the last month. Why?

It is not our custom to recommend candidates in presidential primary elections, but as New Yorkers prepare to head for the polls, that question deserves exploring.

Mr. Hart, Mr. Mondale and Jesse Jackson do not differ greatly about policies. All would raise taxes to protect economic growth. All would cancel the MX missile and the B-1 bomber. All support a nuclear freeze, equal rights for women and job initiatives. Mr. Jackson sets himself apart on Third World issues,

and Mr. Hart and Mr. Mondale are struggling to find a difference between them about how to employ American power abroad. But the policy differences are not pronounced.

Voters are left to choose on the basis of personality and poise. When Mr. Hart refers to "Vice President Mondale," he is not just being courteous; he is reminding voters of the little-loved president Mr. Mondale served. When Mr. Mondale says "What you see is what you get," he is not just promoting his comfortable familiarity; he is reminding voters of asserted inconsistencies in the Hart record.

The volatility may have other explanations. The Democratic convention is still more than three months away; voters may not yet be paying serious attention. With the economy recovering and in the absence of pressing foreign problems, they may also be too comfortable and distracted to get agitated at this stage of the campaign. Nonetheless, New York Democrats have a choice to make.

They must weigh Mr. Mondale's proven decency and long experience against Mr. Hart's freshness and vitality. Is Mr. Mondale a captive of special interests or a gifted conciliator able to forge consensus from many interests? Are Mr. Hart's success and effectiveness on television a triumph merely of technique or the product of a genuine vision for America? And is Mr. Jackson campaigning only for personal advancement or does a vote for him send a piercing signal about respect for black Americans and support for poor ones?

The good news about 1984's volatility is that one state after another ends up being pivotal, at least for a time. Now it is New York's turn, and the outcome in New York could end phase four — or launch phase five. The Democrats' vote will be interesting. And important.

— THE NEW YORK TIMES

## The Trouble With Lebanon Policy Was Incoherence, Not Congress

By Flora Lewis

PARIS — Secretary of State George Shultz has been complaining insistently about congressional restraints on the Reagan administration's foreign policy. He is particularly chafed by the War Powers Act, which he blames somehow for the fiasco in Lebanon. There is thought of asking the Supreme Court to rule it unconstitutional.

Mr. Shultz says that relations between the executive and Congress are "badly defective" and "unsatisfactory." He has a point. Capitol Hill has been braking the administration's muscular plans in Lebanon and Central America. The two branches of government do not share the same idea of what the United States should and could do about those conflicts.

He is also right that this leads to confusion among friends and adversaries about what they can expect. A successful foreign policy requires the United States to show "reasonable predictability and reliability," as he says.

But it needs a lot more than that. It needs a correct assessment of the troubles that the United States confronts, and of the consequences of its words as well as of its deeds.

Mr. Shultz said himself that "we have to be very careful when we say that we will have to do this and so on that we think something isn't tolerable or acceptable." U.S. credibility is dam-

aged not only by failing to carry out threats but also by having made unwieldy threats and unreasonable promises in the first place.

There is an enormous leap between failing to convince Congress that the administration is on the right track, especially where lives are involved, and blaming duly constituted laws for that failure. The secretary does not seem to consider the possibility that better crafted policy, more candidly explained, might win more of the support of which he feels deprived.

He told James Reston of The New York Times (1/17, March 29) that the United States had a good diplomatic plan but it had the rug pulled out from underneath it in Lebanon.

What plan was that?

The record is revealing. There is now convincing evidence that Washington endorsed the Israeli invasion of Lebanon and that then Secretary of State Alexander Haig was aware of General Ariel Sharon's intention to go all the way to Beirut. The marines were sent to help end the murderous siege by ensuring the safe withdrawal of Yasser Arafat and his PLO fighters. Then the marines left. Soon after came the huge massacre in the Palestinian camps of Sabra and Chatila. The marines, and allied troops, were sent back to prevent a recurrence.

Then the United States promoted the May 17 Israeli-Lebanese agreement. President Gemayel said later he had warned that it could never work without Syria's accord. He said Mr. Shultz told him not to worry, the United States is a big power and it could arrange such things.

So the United States throughout the Middle East knew Syria would not agree. Some tried to tell Mr. Shultz and were nearly removed for the effort. Others noted that he did not want to be told the plan would not work. He was determined to score the "success" of getting a document signed. And that much he achieved.

It led to partial Israeli troop withdrawal, with plenty of notice. Washington then realized that more fighting would erupt among the Lebanese, but it could not make the Israelis stay after brokering a withdrawal plan.

So the United States began to intervene in the fighting. The initial "peacekeeping" mission of the marines and their navy support was converted into the task of helping Mr. Gemayel fight his overarmed compatriots. It was precisely to avert



'Lights—camera—fog machine!'

such a trap that Congress invoked the War Powers Act in the first place.

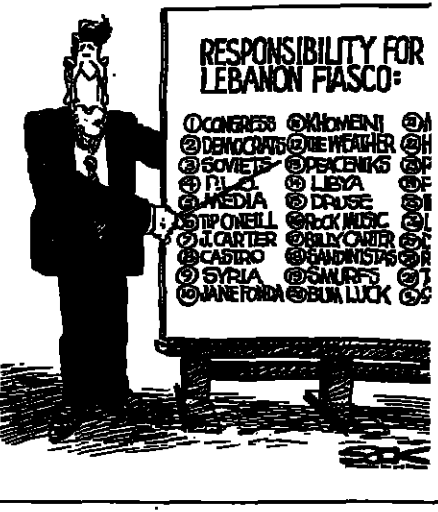
The barracks bombing was dramatic demonstration that the executive had indeed made badly deployed, inadequate U.S. forces a party to the conflict, not just neutral peacekeepers, against the expressed will of Congress. It was not the terrorists themselves who drove out the marines. It was the proof they gave that administration policy had been incoherent and incoherent.

In Central America, there have been repeated zigzags from the Reagan administration on the purpose of training and supplying Nicaraguan rebels. Sometimes we are told it is to make the Sandinistas democratic, sometimes it is to overthrow them. El Salvador has been a waffle. The U.S. military role in Honduras is murky, at best.

Does Mr. Shultz's grievance at congressional restraint mean that the Reagan administration seeks freedom to send tens of thousands of troops into both Lebanon and Central America? Does it want to play the role the Russians are playing in Afghanistan? The effect would be about the same, probably worse.

Even suspicion of bombing into this should make Americans, and the White House, too, grateful to Congress. The administration has been spared the burden of military mistakes that it was not allowed to make.

The New York Times





## Luigi Barzini, Author Of 'The Italians,' 'The Europeans,' Dies at 75

By Albin Krebs

New York Times Service  
NEW YORK — Luigi Barzini, 75, the Italian-born, American-educated author and journalist, died Friday of cancer at his home in Rome, his family announced Saturday.

His best-known book, "The Italians" (1964), cemented his reputation as a leading authority on the history, culture and national character of the Italian people. Written in English for the American market, the book was an instant best seller, much praised for its wit and urbane style. But many of Mr. Barzini's fellow Italians were offended by its often stinging criticism.

Among his other books written in English are "From Caesar to the Mafia," a 1971 collection of essays, and "The Europeans," a 1983 study of the triumphs, failures and conflicts shared by the countries that make up the European Community. His Italian-language books include "The Communists Have Not Won" (1955) and "Moscow, Moscow" (1960). One of his plays, "The Disarmed," had a successful run in Rome in 1957.

Luigi Barzini was born in Milan on Dec. 21, 1908. His father was the editor of the Milan daily Corriere della Sera and was counted among Europe's most influential newspapermen.

When Luigi was 16 years old, he left Milan for New York, where his father had earlier founded and become editor of the Italian-language newspaper Corriere d'America.

He enrolled at Columbia University and worked for a small newspaper on Long Island. After receiving a degree from the Columbia School of Journalism in 1930, he worked for The New York World, then became a correspondent for Corriere della Sera.

He covered events such as the rise of Hitler, the inauguration of Franklin D. Roosevelt and the Italian invasion of Ethiopia. He was

aboard the U.S. gunboat Pansy when it was sunk by Japanese aircraft in 1937 during the war between China and Japan, and he received a U.S. Navy decoration for helping rescue survivors.

As Mr. Barzini's fame as a journalist grew in the 1930s, so did his reputation as an anti-Fascist. He acquired the personal hatred of Mussolini, who in 1940 had him dismissed from his job, arrested as "a dangerous enemy of the Fascist regime" and imprisoned briefly. He was then exiled near Porto San Stefano, on the coast of Tuscany. At the end of World War II in Italy, he moved to Rome and founded the newspaper Il Globo.

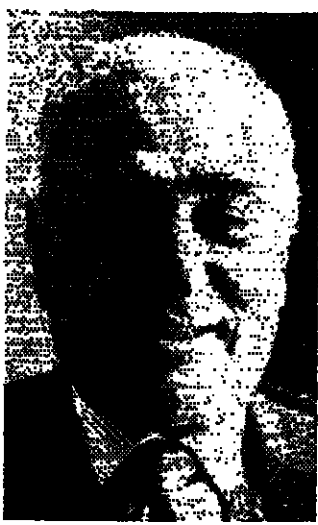
He was editor and publisher of Il Globo from 1944 to 1947 and then worked as chief editor or columnist for several newspapers. He also wrote for many magazines, including Epoca, Harper's, The Nation, Life and Encounter.

In 1958 he ran on the Liberal Party ticket for a seat in the Chamber of Deputies, the lower house of the Italian Parliament. The party is right-of-center, favors free enterprise and is anti-Communist. He served until 1972.

**Karl Rahner, 80, Catholic Theologian**

INNSBRUCK, Austria (AP) — Karl Rahner, 80, one of the century's leading Roman Catholic theologians and an outspoken critic of rigid church doctrine, died Friday night of heart failure, a Jesuit spokesman said Saturday.

Father Rahner played a key role



Luigi Barzini

in the reforms of the Second Vatican Council, including the introduction of the vernacular in the Mass and the encouragement of ecumenical talks with other denominations.

An authority on Catholic dogma, he also gained prominence as a religious philosopher. He wrote about 30 books and thousands of other published works, and taught at Austrian and German universities from 1937 until 1971.

Through his teachings and writings, he criticized many Vatican decisions. For some time he was under a Vatican publication ban.

**Other deaths:**  
Zygmunt Laskiewicz, 48, the Polish minister of domestic trade and services since June 1981, Saturday in an automobile accident during a blizzard.

Joe L. Evans, 73, former Democratic congressman from Tennessee, who served 30 years in the House before retiring in 1977, Saturday in Nashville, Tennessee, apparently of a heart attack.

## Test Vaccine Improves Immunity to Influenza, U.S. Scientists Report

By Harold M. Schneck Jr.

New York Times Service

NEW YORK — Scientists have reported the development of a new vaccine that promises longer and substantially better immunity to influenza and may reduce the likelihood of major flu epidemics.

In tests, every volunteer who received a full dose of vaccine was protected against the illness, which in epidemic years can strike millions of people.

The new experimental vaccine, given by nose drops rather than by injection, was made from live viruses modified in a laboratory rather than from inactivated viruses used in conventional flu vaccines.

Medical scientists consider that a live influenza-virus vaccine introduced into the body through the nose produces a better immunity than is possible with a killed virus vaccine, which must be given by injection. Humans are normally infected by flu through the nose and respiratory tract.

In addition to preventing influenza, the vaccine caused a "striking reduction" in the amount of disease-causing flu viruses shed by volunteers who were exposed to flu-causing viruses, according to a report in the latest issue of The Lancet, a British medical journal.

Authors of the report in The Lancet were Dr. Mary Lou Clements of the University of Maryland, Dr. Robert F. Betts of the University of Rochester and Dr. Brian R. Murphy of the National Institutes of Health.

Flu victims shed viruses and thus

spread the illness by, for example, coughing or sneezing.

A reduction in the shedding of viruses caused by a vaccine is considered a sign that the vaccine is effectively producing immunity.

In addition, the reduction suggests that widespread use of such a vaccine might help reduce the chance of epidemics, according to a statement on the research made public Friday by the National Institute of Allergy and Infectious Diseases, the unit of the National Institutes of Health that has been the major supporter of research on the new vaccine.

Scientists involved in the project said a commercial vaccine might be produced in three to five years, provided a manufacturer is interested and the Food and Drug Administration grants its approval.

In the tests, which involved 81 adult volunteers at two medical centers, those who received the experimental vaccine shed flu virus for less than a day. Subjects who received a conventional flu vaccine shed viruses for more than four days. Those who received the new vaccine shed 1,000 times fewer viruses than other volunteers.

The method by which the vaccine virus was prepared could perhaps be used in the future to quickly develop new vaccines to protect against newly arising forms of influenza virus.

Because the experimental vaccine could be given by nose drop, or even nasal spray, it might also prove more acceptable to the public than current vaccines.

## Vatican Bank Officials Said to Face Loan Inquiry

The Associated Press

ROME — A prosecutor has notified Archbishop Paul C. Marcinkus and two other Vatican bank officials that they are being investigated in connection with a loan that may have been improperly amended, Italian newspapers reported Sunday.

The newspapers, Corriere della Sera of Milan and La Stampa of Turin, said the investigation involved a 1972 loan of 50 billion lire (\$8.5 million at the time) to Italmobiliare, a Milan holding company, from the Vatican bank, officially known as the Institute for Religious Works.

They said Archbishop Marcinkus and the two top lay officials of the bank, Luigi Menzies and Pellegrino De Strobil, have been sent judicial letters warning of an investigation for possible wrongdoing.

The letters were sent to at least 20 people, including Carlo Pesenti,

president of Italmobiliare, the newspapers said.

Vatican officials declined to comment on the newspaper reports, and Archbishop Marcinkus could not be reached for a reaction. The Milan magistrate could not be contacted for confirmation of the newspaper accounts.

The newspapers said the loan was made in Swiss francs and that the agreement was later amended to include a clause saying it had to be repaid in Swiss francs instead of lire. The interest rate on the initial loan was not reported.

Since the rate of the Swiss franc jumped from 152 lire in 1972 to more than 500 lire in 1979, when the loan was due, Italmobiliare had to spend 160 billion lire to repay the Vatican bank.

The loan itself was legal. But the later agreement to repay in Swiss francs caused Italmobiliare to lose an excessive amount of money and

therefore may be illegal, the newspapers said.

Archbishop Marcinkus, of Cicero, Illinois, and the other two Vatican bank officials were also investigated in 1982 in connection with the collapse of Banco Ambrosiano.

Banco Ambrosiano, once Italy's largest private bank, went bankrupt in 1982 with bad debts of more than \$1.2 billion. A large part of that money was lent to Panamanian financial houses in which the

Vatican, through the Vatican bank, had an interest.

Archbishop Marcinkus and the Vatican have denied any wrongdoing.

Church sources have said that the Vatican has agreed to pay \$250 million to Banco Ambrosiano creditors.

Mr. Menzies, the highest lay official at the Vatican bank, and 25 others were indicted in 1982 in connection with the 1974 collapse of Banca Privata.

### Third World Nations Plan Food Companies

Reuters

VIENNA — An organization of Third World nations known as the "Group of 77" ended a week-long meeting in Romania by agreeing to set up joint companies and multinational enterprises to reduce dependence on the industrialized world.

The Agrepps news agency reported Saturday from Bucharest that the countries adopted a report recommending ways to improve Third World collaboration in solving farming and food problems.

## LETTERS TO THE EDITOR

(Continued from Page 6)

### Overseas Americans

In response to the report "Minimum Tax Sought on Americans Abroad" (March 25):

Since 1976 the U.S. Congress has vacillated on the taxation of Americans overseas to an inexcusable extent. It is difficult to believe that it is again seriously considering increasing the taxation of Americans overseas and/or (depending on whether the House or Senate bill is adopted) complicating the return filing process for these taxpayers.

In fact, your description of the proposed alternative minimum tax on foreign-earned income is simplistic and misleading. I challenge any member of Congress to correctly complete an alternative minimum foreign tax credit calculation and carryover computation under the law already in existence.

Congressmen and senators would never dream of mistreating home-state constituents in this way, for fear of not being re-elected. Either they do not care what they do to Americans overseas or they think we do not care.

In this election year, overseas American voters should write our lawmakers to vigorously protest unfavorable changes in the U.S. tax laws affecting us. We should register and vote in large numbers so that we may show Congress that we are a force to be reckoned with.

STEPHANIE H. SIMONARD,  
President, Association of  
Americans Resident Overseas,  
Paris.

### Relating to Japan

The opinion columns by Shinichi Asao and William V. Kennedy (March 2) are welcome contributions to the current debate on Japan's place in the alliance of democracies. They touch upon the two sides of the same coin: the growing pressure being put on Japan to play a more active political and military role in the alliance, combined with subconscious fear that an undue rearmament of Japan may bring about the revival of Japanese militarism.

The priority treatment accorded to defense in the Japanese budget should be well noted by Japan's critics of military spending, as should be that country's exemplary aid record to states of prime security interest to the West. Mr. Asao's remarks on changes in the Japanese public's perception of its security needs are as reassuring as they are true. The growing public support for a greater security effort in Japan contrasts favorably with the spread of pitiful defeatism in West European societies.

The important question to which the West must honestly address it-

self now is whether it is ready to accept Japan as a genuine and equal partner in an integrated security alliance. Partnership implies trust and understanding, yet the prospect of a fully rearmament Japan is still viewed with deeply entrenched suspicions.

The undoubtedly tragic consequences of Japanese militarism in the last war are still vividly remembered. What is less easily remembered is that it was in part the West's ruthless trade war, in defense of allegedly legitimate interests in Asia, that drove Japan into reluctant alliance with Germany.

The situation in trade relations with Japan today is sadly reminiscent of those times. The deepening trade friction, if unchecked, can easily develop into a trade war. More often than not, the arguments advanced against Japan are a brazen negation of those very principles of free trade of which Westerners are self-appointed guardians. Even Japan's natural aspirations for economic leadership in Asia are strongly resisted.

We call for a great political role for Japan, but it is precisely our inability to respond with greater sensitivity and understanding to Japan's political aspirations which puts our relations with Japan in jeopardy. What is needed above all is the sense of much greater vision on our part, if we are to win Japan as a truly reliable partner in the Western alliance.

JANUSZ MONDRY,  
Kenton, England.

The level of cynicism in Japanese-American trade negotiations is simple enough to understand but difficult to swallow for those of us

not seeking re-election. Yasuhiro Nakasone and Ronald Reagan have both timed moves intended to score points within their own constituencies, in obvious synchronization with their counterpart's internal political needs.

Thus Ronald Reagan got tough with the Japanese last summer and took them before GATT in Geneva on a number of articles of trade, but was kind enough to wait until a week after elections being held then. During the campaign Mr. Nakasone could say that he was dealing with the Americans — and then be "shocked" at the American toughness a week after his position was confirmed in the elections.

Now Mr. Nakasone is paying Mr. Reagan back in their game of back-scratching: he hopes to settle some headline-grabbing trade problem before (as he is cynical enough to admit in public through his negotiators) the American presidential race gets "too hot."

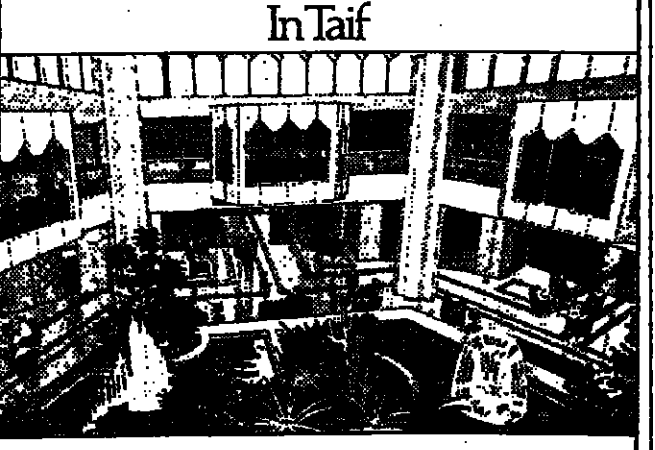
Such international back-scratching between professional politicians, whose primary objective is to remain in power, makes one wonder what they could do to actually clean up Japanese-American trade problems if that were in any way a real and primary objective.

THOMAS LAIRD,  
Katmandu, Nepal.

### Overlapping Categories

In your editions of March 17-18 you reported that a recent California dragnet arrested 2,116 "fugitive suspects" of whom 39 were wanted for rape and 58 for sex offenses. Isn't rape a sex offense anymore?

DAVID WARDEN,  
Tokyo.



THE ADVANTAGE IS INTER-CONTINENTAL. MASSARRAH INTER-CONTINENTAL HOTEL.

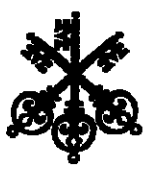
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EUROBONDS

International Markets  
Display Manic Moods

By CARL GEWIRTZ  
International Herald Tribune

PARIS — The international capital market turned manic last week, swinging in 24-to-48 hour periods from a bubbly optimism to a grumpy pessimism — almost in tune with the gyrations on the foreign exchange market. Orchestrating these changes in mood were the erratic movement of short-term U.S. interest rates, fueled no doubt by end of quarter bookkeeping pressures; the uncertainty about whether the Federal Reserve has finished tightening monetary policy or has only just begun to do so; and the troubling signs that the U.S. business recovery may already be beginning to overheat.

The non-event of the week was the Fed's failure to increase its discount rate, which had been widely forecast. The stability of that rate helped spread considerable cheer.

The Fed's late Friday release of the minutes of its policy-making Open Market Committee did not help clarify whether the tightening is just beginning or already completed.

But analysts took heart from the weeklong psychodrama about the impact on U.S. bank earnings if Argentina failed to pay overdue interest, seeing the imbroglio as yet another (in addition to U.S. domestic political considerations) constraint on the Fed's ability to let rates rise.

The real blow to market morale came from New York late Thursday, when the Treasury offer of 20-year bonds failed to attract the expected bids. The impact of sale, described by everyone as a disaster, was amplified because the rout was so unexpected.

Through the midweek moments of optimism, investors remained on the sidelines — a decision amply validated by the renewed downturn in prices Friday.

The dollar issues, launched with alacrity when the market's mood seemed favorable, were added to the already bulging inventory of traders. The Deutsche mark sector, bedeviled by the fluctuations in the foreign exchange market, which saw the dollar rise back to 2.60 DM, and the relatively low coupons on new issues, also failed to attract investors.

The Eurosterling market got caught in crosswinds enveloping the dollar sector, and the ECU market was saddled with the additional problem of a new issue carrying terms widely regarded as too ungenerous.

Four straight dollar bonds were marketed last week. Eurofima offered \$100 million of seven-year, 12½-percent notes at a discount of 99½ which were quoted Friday at 98. Newfoundland sold \$75 million of seven-year, 13-percent notes and ended the week at a discount of 1½ points.

The Austrian Postal Savings (Oesterreichische Postsparkasse), guaranteed by Austria, fared much better because its \$75 million was for a shorter, five-year maturity. Bearing a coupon of 12½ percent and priced at 99½, the notes ended the week quoted at 98.

On the back of the favorable response to the Austrian issue, Sweden late Friday launched \$200 million of five-year notes priced at par with a coupon of 12½ percent.

In the floating rate market, Italy's Banca Nazionale del Lavoro offered \$100 million of seven-year depositary receipts priced at ¼-point over the six-month interbank offered rate. But it traded at less than the complete 80-basis-point commission at 99.25 as floaters with thin spreads remained unpopular.

The coming weeks should be important for the FRN market — a test of whether the end-March fiscal-year closing of books in Japan brings investors there back to the market. The Japanese banks themselves are rumored to be planning big issues of FRNs.

The DM market, unable to overcome the downward from New York or the unfavorable movements in the exchange market, was not helped by the ungenerous pricing on the 100 million DM issue for the African Development Bank. The seven-year notes were priced at par bearing a coupon of 8 percent and ended the week quoted at 98.

The bank appeared more concerned to be seen borrowing at better terms than South Africa (whose Electricity Supply Commission paid 8 percent for an eight-year issue last week) than in setting terms designed to win investor support.

The Escorn notes, priced at 99½, ended the week quoted at (Continued on Page 11, Col. 1)

Quaker Oil  
Buys Back  
Its Shares

By Leonard Sloane

New York Times Service

NEW YORK — Quaker State Oil Refining Corp. has announced that it purchased 1,962,100 shares, or 8.9 percent, of its own common stock from the Reliance Financial Services Corp. for \$24 a share, or a total of \$47.1 million.

Reliance Financial Services is a unit of Reliance Group Holdings, a closely held insurance and financial conglomerate led by Saul P. Steinberg, a New York investor. James Fingerhut of Keisk & Co., the public relations firm for Reliance, confirmed the transaction Friday but would not elaborate.

Earlier this month, Reliance disclosed in a filing with the Securities and Exchange Commission that it had acquired the shares, beginning last June, for \$36.6 million, at prices ranging from \$17.75 to \$20.38 a share. At that time, it said it might seek to increase its holdings to 20 percent of Quaker State, a motor oil and automotive products company based in Oil City, Pennsylvania.

Bernard R. Henderson, a spokesman for Quaker State, said that the repurchase of stock meant "we've got that much less debt to service." By reducing the Quaker State shares outstanding to about 20 million, he added, "it makes each share a little more valuable and that's the logic to paying a little bit more than market price."

In recent years, Reliance has bought sizable stakes in several companies that seemed vulnerable to takeovers. On Thursday, for example, it disclosed its purchase of 6.3 percent of Walt Disney Productions for \$132.5 million.

John F. Kawa, a securities analyst for Dean Witter Reynolds, said that "in hindsight, it looks to me that Mr. Steinberg got exactly what he wanted — someone to take him out of his two-million-share position."

U.S. Continues  
Export Controls

New York Times Service

WASHINGTON — President Ronald Reagan has signed an executive order continuing export control regulations that otherwise were to lapse at midnight because of an impasse in Congress over renewal of the Export Administration Act.

Mr. Reagan cited the International Emergency Economic Powers Act Friday as the basis for his order. It is only the third application for the 1977 legislation, which lets the president ban commercial and financial transactions in response to "unusual and extraordinary" foreign threats.

The first time was in 1980 during the Iranian hostage crisis. The second was last fall, when the Export Administration Act lapsed briefly because of disagreements in Congress. The House and Senate have approved radically different bills to renew that legislation.

Growing Popularity of ECU Issues			The Components of the ECU	
A tabulation of bond issues denominated in European Currency Units per quarter			Worth 85 cents in U.S. currency	
Year	Number of issues	Total amount in ECU		
1981				
First Quarter	0	0	0.828 German Mark	
Second Quarter	2	75 million	1.15 French Francs	
Third Quarter	2	40 million	0.0885 British Pound	
Fourth Quarter	1	75 million	109 Italian Lire	
Total	5	190 million	0.286 Dutch Guilder	
1982			3.66 Belgian Francs	
First Quarter	4	565 million	0.14 Luxembourg Franc	
Second Quarter	3	80 million	0.217 Danish Krone	
Third Quarter	2	130 million	0.00750 Irish Pound	
Fourth Quarter	10	1,045 million		
Total	19	1,810 million		
1983				
First Quarter	14	595 million		
Second Quarter	7	305 million		
Third Quarter	9	450 million		
Fourth Quarter	11	995 million		
Total	31	2,345 million		
Total 1981-1983	66	4,345 million		

ECU Is Success of the Marketplace

By Paul Lewis  
New York Times Service

PARIS — As bitter as the wrangling has become within the European Community, it has not stopped the organization's European Currency Unit, the cocktail of European currencies it created just five years ago, from becoming the success of the international financial marketplace.

Through the collective activities of private bankers, business leaders and ordinary consumers, the Common Market governments' original dream of a common European currency is starting to be realized.

The ECU, pronounced EH-cue, and derived from European Currency Unit as well as the name of an old French coin, remains an imaginary unit. You cannot jingle ECU coins in your pocket or fold an ECU bill in your wallet, although a prototype of an ECU coin has been minted. It is, rather, a bundle of nine currencies, created on the basis of the economic significance of each country.

For members of the European Community, the currency unit provides a convenient vehicle for keeping their accounts and for establishing parities for their fixed-exchange rate monetary system. But for the private sector, buffeted by wide fluctuations in currency values in recent years, the European Currency Unit has come to represent stability, a way of minimizing the risk of an investment in one country being wiped out by a change in another country's exchange rate.

Thus, if a company in France, where the currency is relatively weak, borrows ECUs and later repays the loan in French francs, the debt will probably have been protected against big currency swings because the depreciation of the weaker currencies in the European Currency Unit will have offset the rise of the stronger ones.

Last year, companies, banks and international organizations borrowed 2.34 billion European Currency Units, making the units the third most popular "currency" on the international bond market after the dollar and the Deutsche mark. Since 1981, a total of 4.35 billion of ECU-denominated bonds have been sold internationally, according to Luxembourg Kredietbank.

More than 200 European banks now open accounts denominated in European Currency Units for their clients and participate in a clearing system for the units.

Xves Le Portez, head of the European Investment Bank, estimates that as many as 10 billion ECUs are on deposit in European money markets. Saint-Gobain, the big state-owned diversified French industrial group, pioneered the use of the units for invoicing between its foreign subsidiaries, while several other French and Italian companies have followed suit. Saint-Gobain has also issued a nonvoting share denominated in the units on the Paris Bourse.

Last week, another Luxembourg bank, Crédit Européen de Luxembourg, issued the first ECU credit card under the familiar Visa label.

And within the next few months a group of (Continued on Page 11, Col. 5)

Argentina Pact  
Averts Crisis  
But Bankers Term Process  
'Blackmail' of U.S. Banks

By Carl Gewirtz

International Herald Tribune

PARIS — In case anyone missed the first delivery, in August 1982, of the message that no major nation would be driven to repudiate its debt and that the Third World's debt would not be allowed to trigger an international banking crisis, it was retransmitted over the weekend.

Simultaneous announcements in Brasilia, Buenos Aires and Washington made clear that Argentina now has \$500 million to pay overdue interest to U.S. banks, thereby enabling those banks to continue carrying their Argentine loans at face value and to report stronger in first-quarter profits.

In the view of U.S. and European bankers, the drama last week

SYNDICATED LOANS

had nothing to do with whether or not Argentina would pay up but rather whether Argentina would succeed in blackmailing the U.S. banks.

U.S. banking regulations require banks to classify loans as "nonperforming" if interest payments are more than 90 days overdue. Such classification means the overdue interest cannot be assumed to be paid and thus must be subtracted from earnings, in this case, the first-quarter ended on Saturday. In addition, most banks would have to set aside provisions against nonperforming loans.

U.S. banks hold the bulk of Argentina's \$25.5 billion of bank debt, and estimates of the impact on first-quarter profits ranged from 10 percent to 40 percent. U.S. bankers therefore were under tremendous pressure to accommodate Argentina so that it would pay the overdue interest.

Reports from Argentina had said the government was requesting a rescheduling of 1982-84 debt into a new 10-year loan, with interest set at 1 point over the London interbank offered rate, while the banks were insisting on no more than a seven-year extension, with interest set at 1½ points over Libor.

The unspoken fear of banks is that whatever concession they make to Argentina will be sought by all other debtors. Mexico, for example, only recently negotiated its rescheduling cost down to 1½ points over Libor or 1¼ points over the prime and, as the best performing of the ailing credits, would presumably insist on a less onerous rate of interest than Argentina.

Already Argentina would appear to have won a major concession by having the cost of its loan tied only to Libor. This would save it tens of millions of dollars annually since the alternative pricing based on the prime rate is historically significantly more expensive than Libor.

In the meantime, Mexico and Venezuela have each agreed to provide Argentina with \$100 million and Brazil and Colombia have each agreed to provide \$50 million to enable the government to pay its overdue interest. Argentina itself will draw \$100 million from its own reserves, a move it had been resisting, and the 11-bank advisory committee negotiating the rescheduling on behalf of all bank lenders has agreed to provide \$100 million.

Up to now, the banks had adamantly refused to lend Argentina the money to keep current unless it agreed to a new adjustment program approved by the International Monetary Fund.

Failure to come to agreement with the IMF has caused banks to withhold disbursing \$1.5 billion in loans already approved but contingent on an IMF-approved recovery plan.

Once the agreement is signed with the IMF, the United States will provide a \$300-million loan, which will be used to repay Mexico, Venezuela, Brazil and Colombia. Argentina, meanwhile, has reaffirmed its intention to work toward an early agreement with the IMF.

In all, interest arrears are put at \$2.7 billion, of which about \$650 million is owed to U.S. banks. Payment of \$300 million would reduce the arrears to less than 90 days and would liberate the U.S. banks from having to classify their Argentine loans in their first-quarter reports.

Meanwhile, bankers now contend that U.S. supervisory authorities should get rid of their 90-day rule.

"It's idiotic," one European official said, noting that the United States is the only country to have such a rigid classification procedure. "It simply puts the banks in the hands of their debtors."

In the syndicated loan market, Greece, as expected, was able to increase its loan to \$400 million from the \$350 million initially announced.

Electricidade de Portugal is planning to raise \$100 million, half in U.S. dollars and half in European Currency Units. The seven-year credit is being structured as a loan placement facility whereby participants are free to market their holdings as six-month notes to institutional investors at varying margins over the interbank rate. This will permit EDP to attain a lower cost of funds, a mere half point over the interbank rate plus front-end fees of ¾ percent, than if it did a classic syndicated credit.

A similar structure is being used by Merrill Lynch. It is marketing revolving underwriting facilities, where bank underwriters stand ready to take whatever notes Merrill is unable to sell to investors, for four issuers. Kansas City Light & Power is selling \$200 million of four-year notes, L.M. Ericsson is (Continued on Page 11, Col. 4)

Special Fed Session Agreed Not to Act on Rates

By Robert D. Hershey Jr.  
New York Times Service

WASHINGTON — The Federal Reserve, although noting that a bellwether short-term interest rate had moved above the central bank's target range, has decided at a special meeting against acting to bring rates back down.

The decision by the 12-member Federal Open Market Committee, the Fed's senior policy-making body, seemed to confirm conjecture in the credit markets that the central bank has recently either caused, or accepted, somewhat higher interest rates.

The committee's special meeting was conducted by telephone on March 20, less than a week before the regularly scheduled session last Monday and Tuesday.

Details of the latest meeting have not been disclosed; there is usually a six-week lapse before a report is issued on a meeting of the Open Market Committee.

The occurrence of the March 20

meeting was reported Friday in the Fed's summary of the regular Jan. 30-31 meeting. The Open Market Committee meets eight times a year to set monetary targets in light of economic conditions.

Interest rates eased in the credit

U.S. CREDIT MARKETS

markets after the minutes of the special meeting were released by the Fed.

The report disclosed that the special meeting was called because the federal funds rate, the cost of overnight loans between banks, had climbed above 10 percent, the upper end of the Fed's target range.

The committee "would need to remain alert to the possibility of excessive growth in credit and money," the account of the March 20 session said.

"Against that background, it was the consensus of the committee that, in the short interval until the

next scheduled meeting, pursuit of the degree of reserve restraint and associated reserve paths, consistent with the money and credit objectives set at the Jan. 30-31 meeting, should not be constrained by a Federal funds rate at or above the monitoring range set at that meeting."

The Fed can exercise close control over the Federal funds rate by buying or selling government securities. Consequently, the rate is watched by analysts for clues to changes in credit policy and the outlook for interest rates in general.

A Fed spokesman said that no vote was taken at the telephone meeting, which he said was convened by the chairman, Paul A. Volcker, after the Fed funds rate had moved to about 10¼ percent for several days.

The target range reaffirmed at the January meeting was 6 percent to 10 percent. Whether that range was changed at last week's meeting was not disclosed.

The minutes published Friday added little to public knowledge of the Fed's longer-term goals for monetary aggregates for 1984.

But Frank Morris, president of Boston Federal Reserve Bank, disclosed from the January decision to set a range for growth in the M-1 basic money supply, which includes cash and checking accounts, of 4 percent to 8 percent a year.

Other ranges also set in January were at 6 percent to 9 percent for both M-2, which also includes savings accounts, bank money-market accounts and some Eurodollar accounts, and for M-3, a still broader measure that includes certain large deposits at banks, repurchase agreements and money-market funds.

Mr. Morris was reported to have said, as he has publicly on several occasions, that rather than set money-supply goals, the Fed should use "total domestic nonfinancial debt and total liquid assets" as targets.

U.S. Consumer Rates  
For Week Ended March 30

New York Times Service

For Week Ended March 30

Passbook Savings 5.50 %

Time Deposit 2½-5½ %

Money Market Funds 8.00 %

Bank Money Market Accounts 8.50 %

Home Mortgages 7.75 %

Auto Loans 12.00 %

Personal Loans 12.00 %

Business Loans 12.00 %

Commercial Loans 12.00 %

Government Bonds 7.75 %

Corporate Bonds 12.00 %

Municipal Bonds 7.75 %

Foreign Bonds 12.00 %

Real Estate 12.00 %

Life Insurance 12.00 %

Health Insurance 12.00 %

Disability Insurance 12.00 %

Accident Insurance 12.00 %

Fire Insurance 12.00 %

Theft Insurance 12.00 %

Auto Insurance 12.00 %

Homeowners Insurance 12.00 %

Life Insurance 12.00 %

Health Insurance 12.00 %

Disability Insurance 12.00 %

Accident Insurance 12.00 %

Fire Insurance 12.00 %

Theft Insurance 12.00 %

Auto Insurance 12.00 %

Homeowners Insurance 12.00 %

Life Insurance 12.00 %

Health Insurance 12.00 %

Disability Insurance 12.00 %

Accident Insurance 12.00 %

Fire Insurance 12.00 %

Theft Insurance 12.00 %

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Disability Insurance 12.00 %

Accident Insurance 12.00 %

Fire Insurance 12.00 %

Theft Insurance 12.00 %

Auto Insurance 12.00 %

Homeowners Insurance 12.00 %

Life Insurance 12.00 %



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Prices may vary according to market conditions and other factors.

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Ans.	Security	% Mat.	Price	Conv. Parity	Conv. Price	Conv. Price	Ans.	Security	% Mat.	Price	Conv. Parity	Conv. Price	Conv. Price			
520	And. Ab.						540	Barrett Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
521	And. Ab.						541	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
522	And. Ab.						542	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
523	And. Ab.						543	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
524	And. Ab.						544	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
525	And. Ab.						545	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
526	And. Ab.						546	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
527	And. Ab.						547	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
528	And. Ab.						548	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
529	And. Ab.						549	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
530	And. Ab.						550	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
531	And. Ab.						551	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
532	And. Ab.						552	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
533	And. Ab.						553	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
534	And. Ab.						554	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
535	And. Ab.						555	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
536	And. Ab.						556	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
537	And. Ab.						557	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
538	And. Ab.						558	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
539	And. Ab.						559	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
540	And. Ab.						560	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
541	And. Ab.						561	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
542	And. Ab.						562	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
543	And. Ab.						563	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
544	And. Ab.						564	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
545	And. Ab.						565	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
546	And. Ab.						566	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
547	And. Ab.						567	Beckman Corp.	25.24	71 1/8	Aug 1	1 Aug 81	monthly	129 5/8	129 1/2	129 1/2
548	And. Ab.						568	Beckman Corp.								

[illegible]

CNS	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
L	Pound Sterling	SPF	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NMD	Norwegian Krone - DM		

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## NEW EUROBOND ISSUES

Issuer	Amount (millions)	Mat.	Coup. %	Price	Yield of offer	Price end week	Terms
<b>FLOATING RATE NOTES</b>							
Banco Nazionale del Lavoro	\$100	1991	3/4	100	—	99.20	Over 6-month Libor. Minimum coupon 5.6%. Commission 0.35%. In denominations of \$100,000.
<b>FIXED-COUPON</b>							
Eurofina	\$100	1991	12 1/2	99 1/2	12.61	98.00	Noncallable.
Newfoundland	\$75	1991	13	open	—	98.50	Noncallable. Price to be set April 4.
Oesterreichische Postsparkasse	\$75	1989	12 1/2	99 1/2	12.32	98.00	Noncallable.
Sweden	\$200	1989	12 1/2	100	12 1/2	—	—
African Development Bank	DM 100	1991	8	100	8	98.00	Noncallable.
Ireland	£50	1994	11 1/2	100	11 1/2	97.88	Noncallable.
Caisse Nationale de l'Energie	CS 50.42	1993	13	100 1/4	12.95	98.50	Noncallable.
Austria	ECU 100	1993	10 1/2	99 1/2	10.67	—	Noncallable.
Nordic Investment Bank	ECU 50	1994	6	100	10.48	98.75	Redeemable at 173% of face value at maturity.
Electrolux	DFLS 60	1989	8	99.50	8.13	—	Private placement.
<b>EQUITY-LINKED</b>							
Ajinomoto	\$80	1999	open	100	—	102.50	Coupon indicated at 3.6%. First callable at 103 in 1989. Convertible at an anticipated 5% premium. Terms to be set April 11.
Nippon Sheet Glass	\$25	1994	open	100	—	99.50	Coupon indicated at 3.6%. Redeemable at 102% in 1992. Convertible at an anticipated 5% premium. Terms to be set April 4.
Obayashi-Gumi	\$50	1989	7 1/4	100	7 1/4	94.25	Each \$1,000 bond with one warrant exercisable into an equal amount of the company's shares at a 0.25% premium.
Omron Telex Electronics	\$30	1989	6 1/4	100	6 1/4	101.75	Each \$5,000 bond with one warrant exercisable into an equal amount of the company's shares at a 2.50% premium. Exchange rate set at 225.00 yen per dollar.
Sumitomo Forestry	\$20	1999	3 1/2	100	3 1/2	99.00	Noncallable. Convertible at a 1.62% premium.
Yamasa Jintendo	DM 100	1989	open	100	—	100.75	Coupon indicated at 3.6%. Callable at 101 in 1987. Each \$1,000 bond with one warrant exercisable into an equal amount of the company's shares at an anticipated 2.5% premium. Terms to be set April 5.

## Capital Markets Show Manic Moods

(Continued from Page 9)

98 1/2. The other recent issues were all trading at large discounts. The Inter-American Development Bank 7 1/2s of 1991 were quoted at 97 1/2. Denmark 7 1/2s of 1989 were quoted at 98 1/2 while its 7 1/2s of 1994 traded at 97 1/2.

Bankers expect these issues will get a favorable jolt this week when terms are announced on New Zealand's 250 million DM public offering and CMA's 50 million DM private placement. The aggressive, low coupon on these deals should make the languishing paper of the more generous older bonds more appealing.

In the ECU market, Austria offered 100 million units of bearing a coupon of 10 1/2 percent and priced at 99 1/2 to yield 10.66 percent. Critics said the terms were much too tight but lead manager Kredietbank Luxembourg noted that the World Bank 11s of 1993 were yielding 10.6 percent. The Austrian notes run for eight years and seven months — an odd maturity designed to accommodate its swapping the proceeds into Swiss francs.

Also marketed last week was 50 million ECU for the Nordic Investment Bank. Like the previous week's issue for the Coal and Steel Community, the NIB's 10-year

notes carry a low coupon of 6 percent but are guaranteed to be redeemed at 175 percent of face value. Many investors prefer this capital gain, which produces the equivalent of an annual yield of 10.48 percent, to a higher coupon because of the more favorable tax treatment.

The NIB notes were quoted at a discount of 1 1/4 points, well within the total 2 percent commission. The Coal and Steel notes, which are to be redeemed at 175 percent of face value, ended the week at 100 1/2.

In the sterling sector, Ireland offered 450 million of 10-year bonds at par bearing a coupon of 11 1/2 percent but ended the week at a two-point discount. In the Canadian dollar sector, France's Caisse Nationale de l'Energie offered 50.4 million dollars of nine-year bonds. Priced at 100 1/4 and bearing a coupon of 13 percent, the bonds were offered to yield 12.96 percent but closed the week at a discount of 1 1/4 points. The odd amount is explained by the fact that this is a swap into Swiss francs.

In the equity linked market, Ajinomoto, Japan's largest maker of monosodium glutamate, is offering \$80 million of 15-year bonds convertible into common stock. The bonds are expected to carry a

coupon of 3 1/2 percent. Nippon Sheet Glass is offering \$25 million of 3 1/2 percent convertible bonds which, if the stock fails to perform well, can be redeemed in 1987 at 102 1/2 percent of face value.

In the warrant market, Omron Telex Electronics' \$30 million of five-year notes were well received and the coupon was set at 6 1/4 percent rather than the 6 percent initially indicated. Each \$5,000 note carries a warrant to buy \$5,000 of shares at a price of 2.50 yen — zero premium over Friday's closing price on the Osaka Exchange. The exchange rate was fixed at 225 yen per dollar. The notes were quoted at 101 1/4.

Obayashi-Gumi did less well, ending the week quoted at 94 1/2, despite the higher 7 1/4 percent coupon because the outlook for the stock is less promising. A warrant to buy \$1,000 of shares is exercisable at a premium of 0.83 percent. Yamasa Jintendo, which makes herbal medicines, is offering 100 million DM of five-year notes carrying a coupon of 3 1/2 percent. Each 5,000 DM note carries two warrants, one which has a life of three years and another having a life of five years. Each warrant can be used to buy 2,500 DM of shares. The offering ended the week quoted at 100 1/4.

Mr. Murdoch, his statement said, "believes that there is potential for substantial appreciation in the value of Occidental, particularly in view of the current market environment for oil stocks."

He noted that he is a director of Occidental and a member of its executive committee "and intends to continue an active role in Occidental's affairs for the purpose of achieving further enhancement in stockholder values."

Although there are said to be other areas of dispute between the two executives, Mr. Murdoch is known to be particularly unhappy that "there's only one opinion" at Occidental.

## 'Blackmail' Seen in Talks On Argentina

(Continued from Page 9)

offering \$100 million of five-year paper, State Bank of India is seeking \$100 million for seven years and UBAF Ltd. is in the market for \$30 million for five years.

Interest paid ranges from Libor to about 10 basis points over Libor. But the key to determining the cost to the borrower, the underwriting fee, is key confidential.

These instruments are aimed at corporate treasurers who have spare cash to invest and want something more than Libor (large bank deposits are paid only the bid rate, or 1/4 point below Libor) but assurance of no capital loss (which cannot be guaranteed in the floating rate note market).

In the classic syndicated market, Alfa Romeo is seeking a loan of 40 million ECUs for five years. The loan is guaranteed by state-owned Finmeccanica and interest is set at 1/2 point over the interbank rate. From-end fees total 3 percent.

Also from Italy, Isemer is seeking \$100 million for seven years, offering to pay 1/2 point over the prime rate of U.S. banks.

India's Oil & Natural Gas Co. is looking to borrow \$400 million, divided between a syndicated credit and a floating rate note. Malaysia is also reported to be seeking out bids on terms for a similarly structured \$400-million loan.

In Thailand, Bangkok Bank is asking for bids on terms for marketing an FRN of up to \$100 million and Thai Oil Refinery Co. is also sounding out the market for terms.

Irish finance officials are to meet bankers in London on Tuesday to formally renegotiate terms on a \$500-million, seven-year loan arranged last year. Interest on that loan was set at 1/2 point over Libor for the first three years and 3/4 point thereafter or 25 basis points over the prime rate with a cap of 125 basis points over the adjusted rate for 90-day certificates of deposit. Ireland wants to extend the maturity to nine years and lower the Libor spread by 1/4 point and cut the margin over the prime rate to five basis points and the cap to 90 basis points.

Initial reaction to the proposal was hostile and many borrowers, who would like to take advantage of the present easy terms to renegotiate more expensive outstanding loans, will be watching the outcome. In this category, bankers report, are Denmark, France and Sweden.

**New Zealand Railways**  
New Zealand Railways Corp. is raising a four-part credit package totaling around 200 million New Zealand dollars. Manufacturers Hanover Ltd. said, as an adviser to the borrower, Reuters reported from London.

The bank declined to specify individual amounts in the package, but banking sources said Lloyds Bank International will arrange a \$50-million Euroloan, with banks absorbing New Zealand withholding tax in return for higher interest rate margins.

## Holdout Added to Tension in Argentine Rescue

By Robert A. Bennett

New York Times Service

WASHINGTON — Hundreds of millions of dollars had already moved into New York banks by 5 P.M. Friday but it remained unclear whether the \$500-million international rescue operation for Argentina was going to succeed because there was a holdout. Lloyds Bank of London still had not said it would take part.

Danger of failure at the 11th hour was real. "It was hanging by a thread," a high official of a major New York bank said.

The bankers involved in handling the transaction compared its difficulty and its suspense with that of the Iranian situation in January 1981, when banks had to carry out a politically sensitive and complex financial arrangement for the release of 52 Americans who had been held hostage by Iran.

In the case of Argentina, the rescue would have proceeded without Lloyds' participation. Lloyds is a

member of the advisory committee of five U.S. and six foreign banks, which represent the hundreds of banks around the world that have lent money to Argentina. For the rescue to succeed, each of the advisory committee banks was required to put up its share of the \$500-million commitment.

The rest of the package was assured. Mexico, Venezuela, Colombia and Brazil had promised a total of \$300 million and Argentina said it would put up \$100 million from its own reserves. But if Lloyds had refused to come through, the agreement would have fallen apart and the money already received would have had to have been returned Monday.

Tension was high. Among the U.S. banks, it was felt that Lloyds' failure to respond reflected political sensitivities. Lloyds was the only British bank among the 11 and Monday is "Malvinas Day" in Argentina, marking the 1982 war that Argentina fought and lost to Britain over the Falkland Islands,

known as the Malvinas in Argentina.

Another reason that Lloyds might have hesitated is because of the comparatively low interest rate the banks were to receive. The banks agreed to charge Argentina only one-eighth of a percentage point more than what the banks themselves must pay for dollar deposits at their London branches.

At about 6 P.M., according to bankers in New York, Lloyds informed the banks that it would take part.

At 3 P.M. Friday, the big New York banks' operations people were told something might happen. Exactly what had to be done was not evident until about 5 P.M.

The plan that developed was that all institutions concerned, the banks and the foreign governments, would pay their money into a special account at the Federal Reserve Bank of New York. Once that was done, the Fed was expected to shift the entire amount into an account at Citibank.

But it is a formidable task to collect \$500 million from banks around the world. And, in this case, interest payments also had to be disbursed to about 140 U.S. banks involved in the transaction that had to close their books on the quarter's banking business by the quarter's end, March 31.

Because of the swiftness with which the banks had to operate, they were not able to use traditional cables and relied instead on open phone lines. But for security purposes, they had to use identical secret codes, about four paragraphs long. These codes were passed from bank to bank, like an international whispering game. And the recipient banks were insisting that the wording be exact.

"It was very, very frustrating," Michael Urkowitz, senior vice president of Chase Manhattan Bank, said. "People stumbled over words. No one would accept any variation. It stretched the process over hours, when it could have been done in half an hour."

Because of the Argentine crisis, the New York banks' accounts were cleared about 1:45 A.M. Saturday, rather than at 6:30 P.M. Friday, as on an ordinary day. And, as usual, it took about another hour for the operations departments to close down their machines, straighten up and go home.

When the job was done, the demand for taxis in the Wall Street area was so great that the city's few radio cabs on the streets at that hour could not handle it.

## ECU Is Success of the Marketplace

(Continued from Page 9)

French banks plans to issue the first currency unit-denominated traveler's checks in conjunction with American Express. Thus, the ECU will be transformed into a tangible, cash-like form.

An American tourist in Europe with ECU traveler's checks would have a more stable form of payment than dollar bills or dollar traveler's checks. If the dollar is rising, there would be less gain, but if it falls, the losses in terms of local currencies would be smaller too.

Hotels, restaurants, gas stations and other outlets that accept the traveler's checks will hand over cash in whatever the local currency value of the ECU is that day.

Christopher Johnson, economic adviser to Lloyds Bank in London, said, "It used to be standard wisdom among bankers that the advance of the ECU into the private sector would need to await a lead from the Common Market commission and governments. Now it seems the ECU has attractions for the private sector in its own right."

Professor Robert Triffin, an American monetary expert who teaches at Belgium's Louvain University, said, "History teaches that the most crucial reforms of the international monetary system have almost always been determined by the private sector of the economy rather than by governments and their bureaucrats — and that's what's happening with the ECU."

Private borrowers started issuing bonds written in the units three years ago because they offered protection against fluctuations in currency values. Eight of the nine component currencies are locked together in the European Monetary System, although the British pound floats freely.

Borrowers in countries with weak currencies, such as France and Italy, are particularly attracted by the unit because they believe the repayment cost will be less than if they borrowed abroad in a single strong currency, such as the dollar or the Deutsche mark. Moreover, the interest rate on units, which is an average of the going rate on the units' constituent currencies, is typically less than on dollars or in their own money market.

Conversely, buyers of ECU-denominated bonds believe that they

are more likely to maintain a stable purchasing power than with many individual currencies.

"The attraction for borrowers and investors is stability," Damien Wiggy of Luxembourg Kredietbank said. "Neither wants to be clever than the market, just to minimize exchange risks."

The growing popularity of the unit means that banks and corporations are acquiring increasing quantities of ECU assets that they can now trade with each other, without unbundling them into component national currencies.

## Shell Says Pipe Order Will Be Given to Japan

Reuters

LONDON — Shell Oil Co. said that a \$18 million (\$26 million) gas pipeline order would all go to Japan because it had found British pipe failed to meet its standards. Originally 70 percent of the order for a 100-mile (162-kilometer) high-pressure pipeline in the North Sea was to go to state-owned British Steel Corp.

## Treasury Bills

Due	100	100	100	100
4-15	97.12	97.12	97.12	97.12
4-22	97.18	97.18	97.18	97.18
4-29	97.24	97.24	97.24	97.24
5-6	97.30	97.30	97.30	97.30
5-13	97.36	97.36	97.36	97.36
5-20	97.42	97.42	97.42	97.42
5-27	97.48	97.48	97.48	97.48
6-3	97.54	97.54	97.54	97.54
6-10	97.60	97.60	97.60	97.60
6-17	97.66	97.66	97.66	97.66
6-24	97.72	97.72	97.72	97.72
7-1	97.78	97.78	97.78	97.78
7-8	97.84	97.84	97.84	97.84
7-15	97.90	97.90	97.90	97.90
7-22	97.96	97.96	97.96	97.96
7-29	98.02	98.02	98.02	98.02
8-5	98.08	98.08	98.08	98.08
8-12	98.14	98.14	98.14	98.14
8-19	98.20	98.20	98.20	98.20
8-26	98.26	98.26	98.26	98.26
9-2	98.32	98.32	98.32	98.32
9-9	98.38	98.38	98.38	98.38
9-16	98.44	98.44	98.44	98.44
9-23	98.50	98.50	98.50	98.50
9-30	98.56	98.56	98.56	98.56
10-7	98.62	98.62	98.62	98.62
10-14	98.68	98.68	98.68	98.68
10-21	98.74	98.74	98.74	98.74
10-28	98.80	98.80	98.80	98.80
11-4	98.86	98.86	98.86	98.86
11-11	98.92	98.92	98.92	98.92
11-18	98.98	98.98	98.98	98.98
11-25	99.04	99.04	99.04	99.04
12-2	99.10	99.10	99.10	99.10
12-9	99.16	99.16	99.16	99.16
12-16	99.22	99.22	99.22	99.22
12-23	99.28	99.28	99.28	99.28
12-30	99.34	99.34	99.34	99.34

## Kredietbank Indices

(Base 100 May 1, 1977)		
Industrials, US \$ L.T.		91.11
Int'l Institutions US \$ L.T.		92.24
US medium term		100.673
Canada 5 medium term		101.447
ECU medium term		102.142
DM		87.22
US		99.019
Suicides		101.946
F \$ short term		119.012
F Lux		99.012
Int'l Inst. F Lux medium term		101.477
F Lux medium term		100.472
Int'l Inst. Yen long term		104.53
ECU short term		99.69
ECU long term		101.408



100

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1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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...the fact that the *in vitro* and *in vivo* results are in good agreement, and that the *in vivo* results are in good agreement with the results obtained from the *in vitro* studies.

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— 58 —

1. 凡在本市行政区域内从事生产、经营活动的单位和个人，均应当依照本办法的规定，依法缴纳地方教育附加。  
 2. 地方教育附加的征收范围包括：  
 (一) 增值税；  
 (二) 消费税；  
 (三) 营业税；  
 (四) 企业所得税；  
 (五) 个人所得税；  
 (六) 房产税；  
 (七) 车船税；  
 (八) 城市维护建设税；  
 (九) 土地增值税；  
 (十) 其他依法征收的税种。  
 3. 地方教育附加的征收比例按照下列规定执行：  
 (一) 增值税、消费税、营业税、企业所得税、个人所得税、房产税、车船税、城市维护建设税、土地增值税等税种，按照其应纳税额的百分之二征收；  
 (二) 其他依法征收的税种，按照其应纳税额的百分之五征收。  
 4. 地方教育附加的征收机关为地方税务机关。  
 5. 地方教育附加的征收期限按照下列规定执行：  
 (一) 增值税、消费税、营业税、企业所得税、个人所得税、房产税、车船税、城市维护建设税、土地增值税等税种，按照其应纳税款的缴纳期限征收；  
 (二) 其他依法征收的税种，按照其应纳税款的缴纳期限征收。  
 6. 地方教育附加的征收管理按照《中华人民共和国税收征收管理法》及其实施细则的有关规定执行。  
 7. 地方教育附加的征收使用按照《中华人民共和国预算法》及其实施条例的有关规定执行。  
 8. 地方教育附加的征收使用应当坚持公开、公平、公正的原则，不得随意减免。  
 9. 地方教育附加的征收使用应当接受财政、审计等部门的监督检查。  
 10. 违反本办法规定的单位和个人，将依法予以处罚。  
 11. 本办法自发布之日起施行。

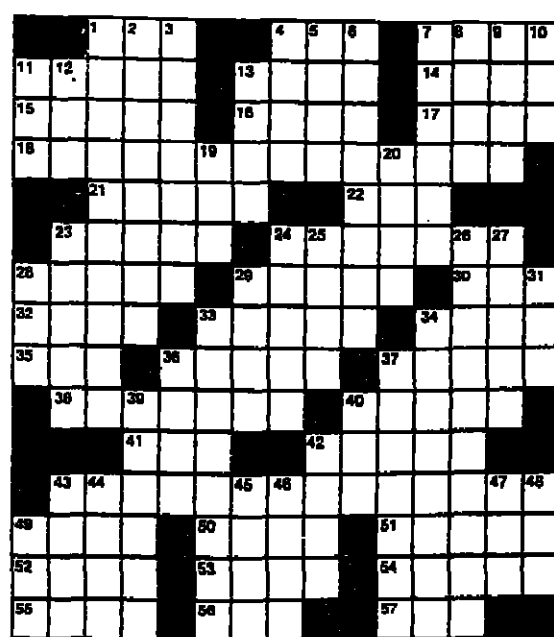
...the fact that the *in vitro* and *in vivo* results are in good agreement, and that the *in vivo* results are in good agreement with the results obtained from the *in vitro* studies.

[illegible]









**ACROSS**

1 Drs. group  
4 Offer  
7 Mournful melody  
11 Virile fellow  
13 Fill  
14 Landed  
15 Largest antelope  
16 Dickens villain  
17 Golfers' gadgets  
18 Form of brainpower  
21 Goron  
22 Marsupial  
23 Down Under  
24 Dame  
25 "To be, or not to be,"  
26 Where Pusan is  
29 Sioux shelter  
30 Literary monogram  
32 Lupino and Tarbell  
33 Praised extravagantly  
34 Defeat  
35 — AVIV  
36 Appointments  
37 Nit-picking  
38 Surprise success  
40 Use mineral springs

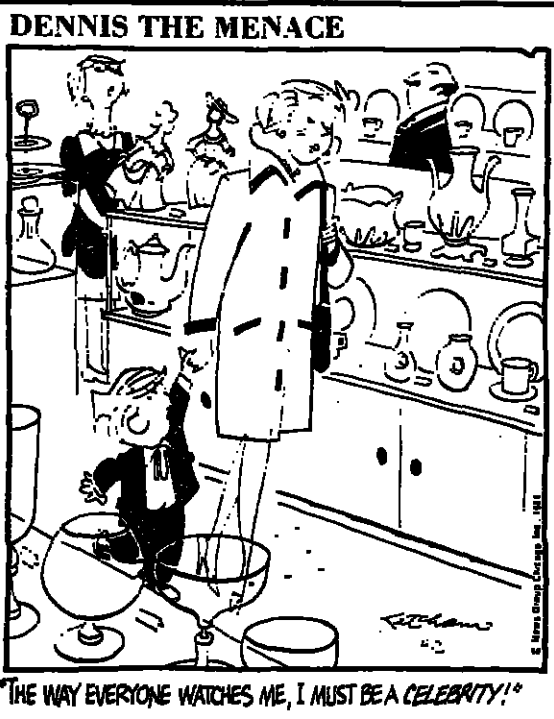
**DOWN**

1 "Seasons"  
2 Ukases  
3 Pyrenees  
4 Personality  
5 Particular  
6 Went  
7 Skin design  
8 Sheltered at sea  
9 Pilaster  
10 City ways  
11 Skirt part  
12 Yale man  
13 Molt

41 Jefferson Davis's org.  
42 Bizarre  
43 "... they shall beat their swords into plowshares"  
44 Source of a bitter drug  
45 Ireland, to Gaels  
46 Character in "The Rivals"  
47 Ponce de Leon  
48 Dau., bro. et al.  
49 Approaches  
50 Saxon serif  
51 Upward curve in timber  
52 Pesticide

19 Boat-hull shape, often  
20 Kind of bag  
21 Protuberances  
22 "And the twain shall meet"  
23 Uncloses, poetically  
24 Farce about V.M.I.: 1936  
25 Wash out  
26 Travel pack  
27 London gallery  
28 Piggery  
29 Covers walls again  
30 Went back over one's path  
31 Middle: Prefix  
32 Poker player's delight  
33 Greek  
34 Orthodox Church litany  
35 School vehicle  
36 Has markers out  
37 French islands  
38 "High" time for Cooper  
39 Mortgage  
40 Airfield near Paris  
41 Poetic "ever"  
42 Draft agency  
43 Brown October brew

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**JUMBLE** THAT SCRAMBLED WORD GAME by Herl Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GYTAN  
MAGDO  
TADEEB  
ZARBLE

Print answer here: AN  & A

Friday's Jumble: COLIC QUOTA OUTLAW FLURRY  
Answer: The gonorrhea will be scolding you, but he's ready for this — A "ROW"

**WEATHER**

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	15	10	10	22	15
Amsterdam	15	10	10	22	15
Antwerp	15	10	10	22	15
Berlin	15	10	10	22	15
Bombay	30	25	25	35	30
Buenos Aires	15	10	10	22	15
Calcutta	30	25	25	35	30
Canton	25	20	20	30	25
Chongqing	25	20	20	30	25
Cebu	25	20	20	30	25
Colon	25	20	20	30	25
Hankow	25	20	20	30	25
Hong Kong	25	20	20	30	25
Kobe	25	20	20	30	25
London	15	10	10	22	15
Lyons	15	10	10	22	15
Manila	25	20	20	30	25
Medan	25	20	20	30	25
Osaka	25	20	20	30	25
Paris	15	10	10	22	15
Perth	15	10	10	22	15
Reykjavik	15	10	10	22	15
Rome	15	10	10	22	15
Seoul	25	20	20	30	25
Shanghai	25	20	20	30	25
Singapore	25	20	20	30	25
Tientsin	25	20	20	30	25
Yokohama	25	20	20	30	25

**MIDDLE EAST**

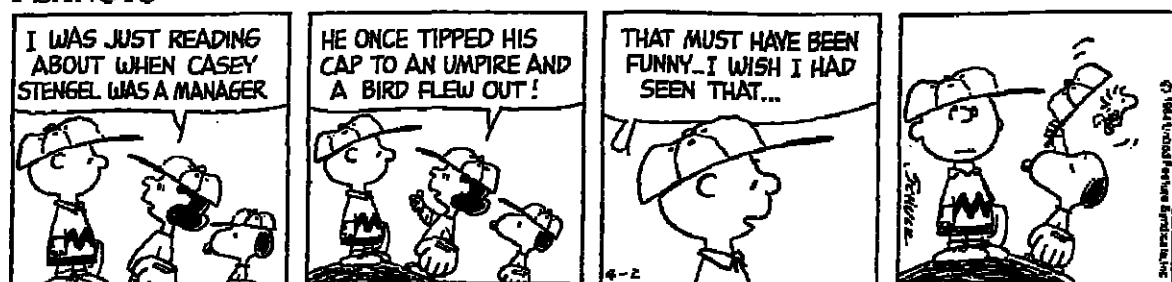
City	HIGH	LOW
Amman	15	10
Beirut	15	10
Damascus	15	10
Jerusalem	15	10
Tel Aviv	15	10

**OCEANIA**

City	HIGH	LOW
Auckland	15	10
Sydney	15	10

**MOON & FORECAST** — CHANDEL: Rough. FRANKFURT: Heavy Temp. 5-11 (4-11). LONDON: Cloudy. Temp. 7-12 (4-12). PARIS: Show Temp. 12-18 (8-18). ROME: Rain. Temp. 12-18 (8-18). TEL AVIV: Fair Temp. 12-18 (8-18). TOKYO: Rain. Temp. 12-18 (8-18). YOKOHAMA: Rain. Temp. 12-18 (8-18). SINGAPORE: Storm Temp. 25-35 (20-35). TOKYO: Rain Temp. 12-18 (8-18).

## PEANUTS



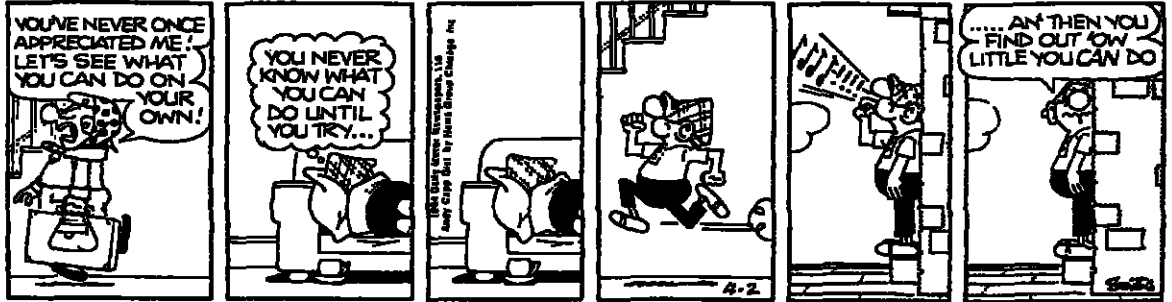
## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD of ID



## REX MORGAN



## GARFIELD



## SPORTS BRIEFS

## Gomez Wins WBC Featherweight Title

SAN JUAN, Puerto Rico (UPI) — Wilfredo Gomez won his second world championship, punting Juan Laporte to win the World Boxing Council featherweight title in a 12-round unanimous decision Saturday night.

Gomez, the former WBC superbantamweight champion, dominated the fight with a continuous barrage of punches to Laporte's face and lower body.

It was Gomez's second try for the WBC featherweight title. He was defeated by the late Salvador Sanchez of Mexico in August 1981. Gomez gave up his superbantamweight title to concentrate on fighting as a featherweight.

It was Laporte's third defense of the title, which he won Sept. 15, 1983. Gomez raised his record to 41-1 with 40 knockouts; Laporte dropped to 24-5 with 13 knockouts.

## S. Korean Retains Light Flyweight Title

PUSAN, South Korea (AP) — Chang Chong Ku of South Korea retained the World Boxing Council light flyweight championship with a 12-round unanimous decision over Sot Chitalada of a Thailand Saturday.

It was Chang's third defense of the title, which he won in March 1983. He improved his record to 24-1; Sot fell to 17-2.

## Swale Defeats Favorite in Florida Derby

HALLANDALE, Florida (AP) — Swale took the lead on the second turn and held off favored Dr. Carter down the stretch to win the Florida Derby by three-quarters of a length Saturday at Gulfstream Park.

The victory was the second in three starts as a 3-year-old for Swale, a son of Seattle Slew. Dr. Carter, the 3-5 favorite, finished seven lengths in front of Darn That Alarm. Rexson's Hope was fourth in the field of nine.

## Couples 3d-Round Leader in Florida Golf

PONTE VEDRA, Florida (UPI) — Fred Couples recovered from a slow start with three birdies in four holes on the back nine Saturday to maintain his two-stroke lead through the third round of the Tournament Players Championship.

Couples posted a 1-under-par 71 for a three-day total of 206. Seve Ballesteros of Spain, with a 70 on Saturday, was at 208, and Tom Watson, with a second straight 67, was third at 209.

Couples began the third round two strokes ahead of Jim Thorpe, the first-round leader. Thorpe shot a third-round 78 to drop off the pace with a 215.

## USFL Takes on Support of Chicago Blitz

CHICAGO (AP) — The United States Football League has taken over financial support of the Chicago Blitz. Chet Simmons, the USFL commissioner, said he would issue a statement this week.

The team is owned by Dr. James Hoffman, a Milwaukee heart surgeon, who has been trying to sell the 1-5 Blitz.

ABC provided \$18 million for the USFL's first two years. It is on the last year of its contract with the league. The contract allows the network to cancel or receive a rebate if the USFL does not have a team in one of the three largest markets — New York, Chicago and Los Angeles.

## NHL Standings

W	L	T	Pts	GF	GA
NY Islanders	47	25	9	344	285
Washington	47	25	9	344	285
Philadelphia	47	25	9	344	285
NY Rangers	47	25	9	344	285
New Jersey	47	25	9	344	285
Pittsburgh	47	25	9	344	285

## Transition

CINCINNATI — Acquired Charlie Holt, pitcher, from Detroit in exchange for outfielder Darnell Mayberry, outfielder to the American Association. Outfielder Charlie Holt, pitcher, to the American Association. Outfielder Darnell Mayberry, outfielder to the American Association.

NEW YORK — Acquired Greg Maddux, pitcher, from the Montreal Expos in exchange for pitcher Steve Like, pitcher, to the Montreal Expos. Outfielder Steve Like, pitcher, to the Montreal Expos.

PHILADELPHIA — Acquired Steve Carlton, pitcher, from the Pittsburgh Pirates in exchange for pitcher Steve Carlton, pitcher, to the Pittsburgh Pirates. Outfielder Steve Carlton, pitcher, to the Pittsburgh Pirates.

## BOOKS

## WARDAY

By Whitley Strieber and James W. Kunetka. 374 pp. \$15.95.  
Holt, Rinehart and Winston, 521 Fifth Ave., New York, N.Y. 10175.

Reviewed by Ben Bova

"WARDAY" is not a novel, yet it is fiction. It documents a journey, yet it is not a documentary. If the book is a success, the events it describes will never come to pass.

Whitley Strieber is the author of horror stories such as "The Wolfen" and "The Hunger." James W. Kunetka has written nonfiction books such as "City of Fire: Los Alamos and the Atomic Age" and "Oppenheimer: The Years of Risk." In "Warday" they have combined their talents to tell a horror story that might happen someday, the tale of what the United States would be like after a nuclear war. This is no ordinary "nuclear holocaust" book, nor is it the usual science fiction version of how the world will be after Armageddon. It is neither a conventional disaster novel nor a horror tale. In flat, unemotional prose, "Warday" describes the aftermath of nuclear battle. The missile exchange of the novel is only a little war, a 30-minute rain of destruction on Oct. 28, 1988. Only three American and three Soviet cities are destroyed, together with both nations' fields of missile silos.

Far from Armageddon. But enough to snuff out the existence of the United States of America and the Union of Soviet Socialist Republics. The lands are still there. Most of the cities remain intact. The people live on — most of them. But the fabric of life that we take so much for granted is gone, destroyed as thoroughly as the ancient Roman Empire was destroyed by the Goths.

In the brief war Washington is obliterated by six missile-delivered hydrogen bombs in the 9-megaton to 10-megaton range. Nothing is left except a glassy crater glowing with radioactivity. San Antonio is similarly vaporized, for reasons that one suspects have more to do with the authors' contrivance than Soviet strategy.

The last lines of the book are by novelist Strieber, after he has returned home from his journey.

"I lie down, drawing the sheet up around my chin. Music comes to me, an unknown melody, and an image of my son rises in my mind. I want to allow myself to have hope for him and his generation."

"If only we have gained wisdom from the fire. If only we can accept how alike we are, one and another."

And that is why the book was written. For their children, in the hope that they will never have to face the rigors of surviving even the smallest nuclear war.

Ben Bova, whose most recent novel is "Orion," wrote this review for The Washington Post.

## BRIDGE

## Solution to Friday's Puzzle

CLUBS	WEFT	SGT
CONAN	HAIR	ATUB
CIRCE	ECRU	MAINS
TAKESTHE	STAND	STAND
REVERE	STANDUP	STANDUP
BRED	PEP	SLATES
ISL	DIDOS	ENOLA
HEADSTAND	HEADSTAND	HEADSTAND
PASOS	YEAST	TLR
ACTUAL	SRI	THOU
STANDAT	AIRING	AIRING
UNDERSTANDING	UNDERSTANDING	UNDERSTANDING
BADE	DARN	LANES
ARID	ENDS	EGEST
AYIN	RAYE	REISTS

## NBA Standings

W	L	Pct.	GB
Philadelphia	47	.588	0
Los Angeles	47	.588	0
San Antonio	47	.588	0
Portland	47	.588	0
Golden State	47	.588	0

## USFL Standings

W	L	T	Pct.
New York	47	25	.647
Philadelphia	47	25	.647
Pittsburgh	47	25	.647
Washington	47	25	.647

## Transition

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NEW YORK — Acquired Greg Maddux, pitcher, from the Montreal Expos in exchange for pitcher Steve Like, pitcher, to the Montreal Expos. Outfielder Steve Like, pitcher, to the Montreal Expos.

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## SPORTS

## Houston to Meet Georgetown in NCAA Championship Game

Cougars Edge Virginia, 49-47, in Overtime to Gain Final

SEATTLE — Rickie Winslow's slam-dunk off a missed shot by Akeem Olatunwo with 45 seconds to play in overtime gave Houston a 49-47 victory over Virginia Saturday in the National College Athletic Association semifinals.

Houston (32-4), which fell behind by 3 points midway through the second half, advanced to the final of the second consecutive year. The Cougars will meet Georgetown in the championship game Monday night.

Last season, the Cougars lost in the final to North Carolina State, 54-52, on a last-second shot. Virginia (21-12) failed to advance beyond the semifinals for the second time in four years. But the Cavaliers' appearance in the Final Four this season had been surprising. They were never expected to get that far without Ralph Sampson, a three-time player of the year, who turned pro.

The unheralded and unranked Cavaliers repeatedly fell behind Houston but kept charging back, refusing to cave in to the taller Cougars. At the close of the first half and the start of the second, they ran off 10 consecutive points to turn a 25-17 deficit into a 27-25 lead.

And, in the closing minutes of regulation play, after Houston had strung together nine points for a 41-35 lead, the Cavaliers reeled off eight of the next 10 points. Olatunwo's basket off his own steal tied it, 43-43, with 27 seconds left to force the overtime.

Seventy seconds into the overtime, Rick Carlisle hit a jumper for Virginia, capping the Cavaliers' eight-point run and giving them their last lead of the game, 45-43.

One minute later, Olatunwo, Houston's 7-foot (2.13-meter) center — a 52.5 percent foul shooter — made both shots on a one-and-one after being fouled by Olden Polynice. That tied it at 45.

A little more than a minute later, Michael Young scored to put the Cougars on top in stay. Then came Olatunwo's air ball, a shot that missed everything. Winslow was there to grab the ball and ram it through, giving Houston a four-point cushion, 49-45.

Last year, in the 54-52 loss to North Carolina State, Olatunwo, a native of Nigeria, was at the foul line

when Lorenzo Charles grabbed a desperation shot and rammed it home for the winning points as time ran out.

This time, Olatunwo was too close to the basket — almost beyond it — when he threw up his ill-timed shot.

"Akeem still has a problem with knowing the strategy of basketball," said Guy Lewis, the Cougars' coach. "There are probably 25,000 American players who would have known to throw that ball out. But he was trying to shoot it."

Olatunwo, who finished with 12 points and a game-high 11 rebounds, said he was worried in the final stages of the game.

"I was scared when I looked at the clock, but I didn't think we'd lose," he said. "In overtime, I was very nervous and happy that I made those two free throws. When I concentrate, I can make them."

Lewis insisted that he was not discouraged with the close victory for his heavily favored team.

"I'll guarantee you I'm not disappointed in the point spread," he said. "We were trying to win a basketball game. A two-point win is just as good as a 40-point win after it's over."

Terry Holland, the Cavaliers' coach, said he was disappointed.

"Any time you come this far and have as many opportunities to win, you'd like to say you've had a good season. Maybe we can say that in two weeks. Right now, we're disappointed. We'd like to still be playing," he said.

Virginia's Wilson said: "We got this far on some breaks, and maybe it was time the breaks went against us."

Wilson had a chance to tie the game and send it into a second overtime. But he lost the ball with two seconds left in the extra period. In regulation, Wilson lost the ball with three seconds left and the score tied at 43.

"But I really feel good about ourselves," Wilson said. "People wrote us off, but we gave it our hardest and we almost pulled it off."

Young led Houston with 17 points. Miller and Wilson shared Virginia's scoring lead with 12 points apiece.

Hoyas Overwhelm Kentucky, 53-40, With 2d-Half Defense

SEATTLE — Georgetown held Kentucky scoreless for nearly 10 minutes of the second half and rolled to a 53-40 victory over the Wildcats Saturday for a berth in the National College Athletic Association championship game.

The Hoyas, which will meet Houston for the championship Monday night, are now one victory from claiming its first national crown. In the 1982 championship game, the Hoyas lost to North Carolina in the closing seconds.

Kentucky (29-5) had not appeared in the Final Four since 1978, when it also won the national title.

Georgetown (33-3) was magnificent in its defensive power in the second half. The Hoyas limited Kentucky to just 11 points as the Wildcats went just 3-of-33 from the floor in the final 20 minutes.

"The players weren't baffled but I was baffled," Kentucky Coach Joe Hall said. "I can't explain it and I certainly am not going to worry about it. There must have been an extra-celestial being around that basket."

As is often the case with the Hoyas, the scoring was well distributed. Michael Jackson had 12 points, David Wingate hit for 11 and Michael Graham 8. Georgetown needed only 8 points from its All-American center, Patrick Ewing.

Sam Bowie and Melvin Turpin, who figured to joust underneath with Ewing, were silenced in the second half. Bowie finished with 10 points, just two foul shots in the second half, and 11 rebounds. Turpin finished with 5 points, blanked the entire second half.

It was classic Georgetown basketball: defense, discipline and a deft touch from the outside.

After Wingate opened the second half with a shot from the corner, the Hoyas ran off 10 more points in succession to pull in front, 34-29. Kentucky did not score its first basket of the second half until Winston Bennett's outside shot made it 34-31 with 10:04 left.

Georgetown then ran off nine straight points, capped by Wingate's 3-point play with 6:48 left, that made it 43-31.

About eight minutes into the half, Georgetown's coach, John Thompson, called off his man-to-man

defense because his players were burning themselves out. He pulled them back into a zone.

"I looked up at the clock and there were 10 or 11 minutes gone," Bowie said. "We had 29 points. I knew that was how many points we'd had at halftime, unless I was sleeping."

The frustration of Kentucky was typified when James Blackman missed an open drive to the basket and Kentucky received a foul on the play. Hall threw his program and Kentucky was all but finished for the afternoon.

The first half, however, was an altogether different affair, with Kentucky leading, 29-22, at halftime.

With Georgetown's front line relatively quiet and Ewing picking up his third foul with 8:52 left in the half, the Wildcats were able to capitalize.

Bowie and Turpin delivered down low, and guards Jim Master and Dickey Bell played from the outside. Ewing spent much of the first half on the bench and the offense was left largely to Jackson on the perimeter. Ewing had just 4 points and the Hoyas shot 35 percent from the floor in the first 20 minutes before their surge in the second half.

"We like to tease our enemies," Thompson said. "We got down, and that makes them happy. Then we come out in the second half and do the job we have to do."

Bowie said, "Give credit to Georgetown's defense. But this was the worst shooting performance I've ever been associated with in my life." (For the game, Kentucky shot 25 percent from the floor.)

Beal added, "It wasn't spooky, it just wasn't us. We had the shots, they just didn't fall. They switched defenses on us and they disguised their defenses really well."

Kentucky's score was the lowest in the Final Four since 1949, when Kentucky beat Oklahoma State, 46-36. Kentucky missed 22 of its first 23 shots in the second half.

The Wildcats' five starters shot 0 for 21 in the second half. The subs rallied them to an overall 3 for 33.

Was Thompson pleased at the defense? "To tell you the truth," he said, "I don't give a damn about that defense anymore. I'm thinking about Houston."



Akeem Olatunwo of Houston rises above Olden Polynice (24) and Othell Wilson of Virginia in an NCAA semifinal.

## Hagler Stops Roldan to Retain Title

United Press International

LAS VEGAS — Marvelous Marvin Hagler, blending speed with accurate combinations, successfully defended his world middleweight title Friday night with a 10th-round technical knockout over Juan Domingo Roldan of Argentina.

Hagler, fighting for the first time since his unanimous decision victory over Roberto Duran last Nov. 10, landed a left to Roldan's swollen closed right eye and the challenger fell back on the canvas. Roldan, the World Boxing Association's No. 1 contender, rose at the count of seven with the eye gushing blood.

Referee Tony Perez asked Roldan if he could continue and Roldan shook his head. Perez then stopped the bout 39 seconds into the round.

Hagler rebounded from a controversial knockdown in the opening seconds of the first round — when he slipped to the canvas but Perez ruled it a knockdown as Roldan threw a left hook that grazed the top of the champion's head.

Hagler was up immediately but Roldan, in winning the first two rounds, pursued Hagler and attacked the body.

The champion took control of the fight in the third when he put Roldan through the ropes and onto the ring apron with a dazzling combination.

Hagler continued to land combinations as Roldan tried to bull his way to the inside.

The two went toe-to-toe at the start of the eighth but Hagler got the better of it and hurt Roldan with a right hook to the ribs and two lefts to the challenger's face.

After the sixth round, Roldan told his corner that he was having difficulty seeing and the ring physician, Donald Romeo, consulted with Perez before the ninth round and checked the challenger's eye. Romeo again checked Roldan before the 10th.

"I wanted to be careful with him," said Hagler. "He's a good puncher so I couldn't get careless. That was no knockdown in the first round. I slipped and I told the ref. I had to keep my cool. I realized it wasn't a knockdown."

Hagler, 29, raised his record to 39-2-2 with 49 knockouts with his 34th consecutive victory. Roldan, 27, fell to 30-3-2 with 34 knockouts. Hagler will next defend his title in July against Mustafa Hamsho, the World Boxing Council's top-ranked contender.



Marvin Hagler landing a sharp left to the swollen right eye of Juan Domingo Roldan.

## Colts and Indianapolis Sign Contract

Compiled by Our Staff From Dispatches

INDIANAPOLIS — The Baltimore Colts have officially become the Indianapolis Colts, despite legal efforts by Maryland and Baltimore to prevent the move.

An Indianapolis Capital Improvement Board on Saturday unanimously approved a 20-year lease agreement for the National Football League club to play in the new Hoosier Dome. The board manages the Hoosier Dome, the Indianapolis Convention Center and the Market Square Arena, all owned by the city.

City officials said the agreement would give the city an annual profit of almost \$1.4 million. In addition, Mayor William H. Hudnut said, the Colts would bring in \$21 million annually in direct business to the city.

The contract gives the Colts two five-year renewal options. The

team will pay the board about \$915,000 a year: \$250,000 in rent for two preseason and eight regular games, about \$465,000 from a 5-percent tax on gross ticket sales and about \$200,000 for game-day expenses for personnel. The Colts will pay an additional \$25,000 in rent for each home playoff game.

The board guaranteed the Colts would gross at least \$7 million a year for the next 12 years in ticket sales and radio and television television rights. The board said the club had agreed to call itself the Indianapolis Colts and had agreed to allow the city to put a major league baseball team in the dome.

Additionally, if Robert Irsay, the Colts' owner, wants to sell control of the club, the board said it had the right to find a buyer to match any offer.

Maryland and Baltimore officials are pursuing legal channels to force the Colts to remain. On Fri-

day, City Circuit Judge Robert Karwacki signed a 10-day temporary restraining order barring the move.

Karwacki's order prohibits the team from playing NFL games anywhere but in Baltimore, the city in which the NFL granted the team the right to play.

Less than an hour earlier, Baltimore's mayor, William Donald Schaefer, signed a bill giving the city the right to move or seize the team. Schaefer said the matter is not just a Baltimore issue. Every city with a professional sports franchise faces the same possibility, he said.

If Baltimore's action is successful, the city would have to pay Irsay market value for the team. The city would then presumably arrange for private businesses or individuals to buy the team from the city.

(NYT, AP)

## Changes in the East; Order in the West

By Thomas Boswell

Washington Post Service

WASHINGTON — Anyone who thinks the National League East race can be confidently forecast — and for anything like the correct reasons — probably is not a bona fide fan.

The proper way to appreciate this division is not so much to guess

## NATIONAL LEAGUE

## PREVIEW

its winner as to gain a sense of its complex variables.

It would be hard to conceive of four teams with as many proven strengths and undeniable weaknesses as Pittsburgh, Montreal, Philadelphia and St. Louis. Any of these could, with a few breaks, win 90-92 games; any could, with a major injury, finish below 500.

Last year, Philadelphia staggered all season, then broke out of the pack by playing excellently for three weeks — the last three weeks. It was the only distinguished run made by any team. And it was enough.

Since last October, the Phillies' Paul Owens, the Pirates' Chuck Tanner, the Cardinals' Whitey Herzog and the Expos' Bill Virdon have been trying to deal for a slight edge.

The defending champion Phillies have jettisoned their Wheez Kids — Pete Rose, Joe Morgan and Tony Perez, while trading Gary Matthews, Bob Dernier and Willie Hernandez for Bill Campbell (Chicago Cubs), Glenn Wilson (Detroit) and John Wockenfuss (Detroit).

When the swinging door stopped, the net result was still that two unproven players — shaky-fielding Juan Samuel and Len Matuszek — would own the right side of the infield.

Of all defending champs, the Phillies are the best bet not to repeat. In September, when veteran leadership matters, look for them to move backward.

Baltimore's mystery team, Montreal, is still confounding every fan who uses conventional tools of evaluation to pick favorites. This could finally be the Expos' year to go to the World Series for one silly reason: They are not expected to make it.

The Expos have signed Rose, traded Al Oliver for starter Fred Breining (San Francisco), added Gary Lucas (San Diego) to the bullpen and decided to put their perennial nightmare position, shortstop, in the hands of rookie Angel Salazar. Terry Francona

## Yankees Trade Nettles to Padres; Brett Out With Injury

The Associated Press

FORT LAUDERDALE, Fla. — The New York Yankees have traded Graig Nettles to the San Diego Padres for rookie pitcher Dennis Rasmussen and a player to be named later. The trade occurred Friday, three days before the season opens Monday.

Nettles, who has hit more home runs, 333, than any third baseman in American League history, requested a trade after the Yankees acquired Toby Harrah from Cleveland last month and announced that they would platoon at third.

The trade means the Yankees

will now platoon the right-handed-hitting Harrah with switch-hitter Roy Smalley.

"I wanted to play here for a long time," Nettles said Saturday in San Diego. "I was more than glad to approve the trade."

Meanwhile, the Kansas City Royals announced Saturday that all-star third baseman George Brett will be sidelined for up to two months with a knee injury.

Brett, a two-time American League batting champion, sustained a partial tear of the ligaments in his left knee during an

exhibition game Friday, said a team spokesman. He said that the knee will be immobilized for three weeks and that Brett will be out of action six to eight weeks.

And the Milwaukee Brewers' general manager, Harry Dalton, said Saturday that pitcher Pete Vuckovich will be off the active roster for 10 to 12 weeks as a result of surgery, scheduled for Wednesday.

Vuckovich, who was trying to make a comeback from a rotator cuff injury last year, will undergo surgery to remove bone spurs in his shoulder.

Once again, the Chicago Cubs and New York Mets are in the league. No one seems to have been able to solve this problem.

Chicago has a major league lineup, but its starting pitching prevents any dreams of more than 80 victories. Fortunately, with mighty Lee Smith (1.65 ERA) in the bullpen, late leads are in good hands.

Any batting order with Keith Hernandez, George Foster and Darrell Strawberry at its heart is respectable. However, New York's young pitchers, like Ron Darling and Tim Lincecum, are far from ready.

The Mets will be sorry they exposed Tom Seaver (231 innings pitched) to the free agent draft and lost him for nothing. That boner will lock up the cellar for the Mets.

## WESTERN DIVISION

The National League West is the consensus division: Everybody who looks at it sees the same thing. Preseason prognostications in a half-dozen annual magazines read like copies of each other.

First, the defending Los Angeles Dodgers have a pitching staff rivaling that of the Baltimore Orioles and Chicago White Sox.

When Fernando Valenzuela (3.75 ERA) is perhaps only your fourth-best starter, behind Jerry Rouse (2.94), Bob Welch (2.65) and Alejandro Pena (2.75), you know you are going to be in the race until the end.

Add Tom Niedenfuer (1.90 in 66 games) and young Carlos Diaz (2.05 in 54 games with the Mets) in the bullpen, plus spot starters like Burt Hooton and the '83 American League ERA champ, Rick Honeycutt (2.42), and you have a staff that almost seems injury proof.

So what, the conventional wisdom says, if injuries may make Jack Fimple the regular catcher? So what if the infield of Brock, Sax, Russell and Guerrero made 93 errors last season? So what if Dusty Baker is gone?

Second, everybody agrees that if the Dodgers find a way not to win, the NL West's new champ will be the San Diego Padres, the club rebuilt by GM-trader Jack McKeon. The Padres signed Steve Garvey a year ago and now they have turned in the high bid for Goose Gosage.

The Padres were out-homered by 144 to 93, last year. So McKeon has brought up two potential power-hitting kids from AAA — Carmelo Martinez (37 homers and 110 RBIs) and Kevin McReynolds (36 HR, 130 RBIs).

But the Padres have the shakiest sort of young, gopher-ball-prone starters in heady Eric Show (15-12) and southpaws Dave Dravecky (14-10) and Tim Lollar (7-12).

It is also an almost universal opinion that the Atlanta Braves, so recently a budding power, are in danger of falling off the pace because of pitching problems.

No sooner had the Braves laughably told the team's symbol, Phil Niekro (11-10, 3.96 ERA), that they were cutting him loose than Atlanta learned that Pascual Perez, the staff ace, had been imprisoned

## Hallo Dandy Is a Dandy in Grand National

Compiled by Our Staff From Dispatches

LIVERPOOL — Hallo Dandy, ridden by Neale Doughty, found a reserve of strength Saturday to hold off challenging Greasepaint and win the 143d Grand National Steeplechase race.

Greasepaint, the 9-1 favorite which gave away 14 pounds (3.4 kilos) under jockey Tommy Carmody, was four lengths back to finish second for the second straight year.

Last year's winner, Corbiere, ridden by Ben de Haan, could not overcome the burden of carrying his top weight of 168 pounds — 26 pounds more than the winner — and finished third, 1 1/2 lengths behind Greasepaint over the 30 fences in the four-mile, 856-yard (722-kilometer) race.

The race was marred by the death of Earthstopper. The 10-year-old challenger was edged into fifth place by Lucky Vane near the finish line and then dropped dead

after the race. "He literally ran his life out," said Richard Rowe, Earthstopper's jockey. "He collapsed under me."

Burnt Oak set the fast pace on the first, 16-fence circuit of the Aintree course. At one stage he was 15 lengths clear, but Eliogarty and Greasepaint, and then Earthstopper gradually reined him in.

Hallo Dandy and Corbiere moved up to join the leaders going to the Canal Turn second time round (24th fence).

Hallo Dandy, a 13-1 choice, took the lead two fences from home, then strayed right across the course before being reined in the right direction. As Greasepaint began to tire in the race for the line, Corbiere (a 16-1 pick) made a late surge but had to be content with third place.

"I was last over at the first (fence) but I took my time and picked them off one by one," said Doughty, 26, who was riding in his third Grand National. "I was a bit wor-

ried that he might fade coming up to the last like he did last year but he stuck firm. We always said he was good enough and that the heavy ground beat us last year. Now we've proved it."

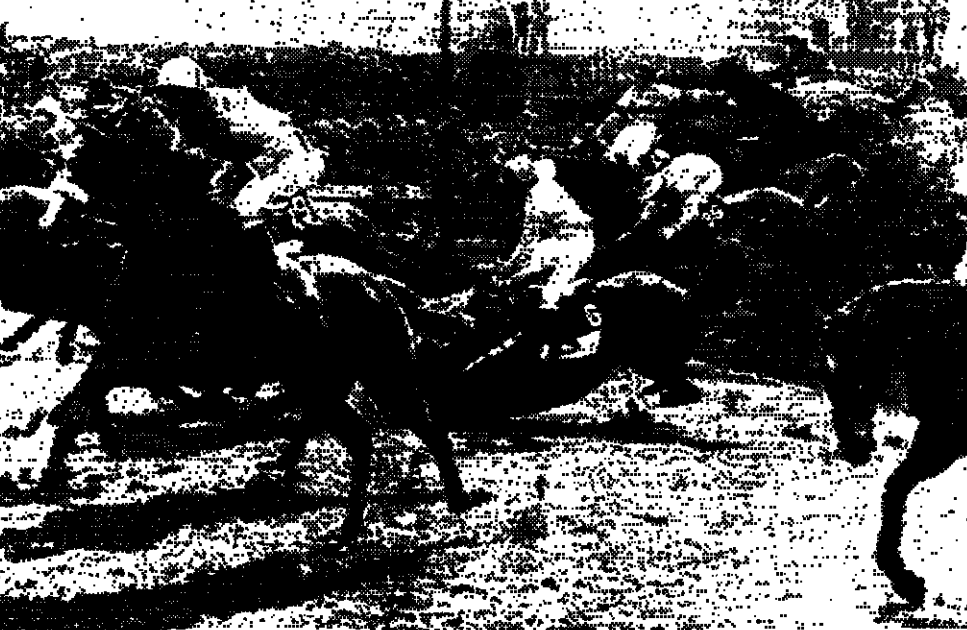
But Tommy Carmody, who rode Greasepaint, said: "The difference in weight beat us. I thought from the second last fence I had a chance but not from the last."

And Corbiere's trainer, Jenny Pittman, echoed the complaint. "My horse was given too much weight," she said. "That is what I have always said, but he ran his guts out."

Hallo Dandy, a fourth place finisher last year and owned by Richard Shaw, a London insurance broker, provided trainer Gordon Richards with his second Grand National victory, following the success of Lucius in 1978.

A record 23 of the 40 starters completed the race.

(UPI, AP, Reuters)



Midnight Love (6) and Three To One (35) tumble at Aintree's Bleachers Brook fence.

## Exhibition Baseball Scores

Friday's Results	
Kansas City 5, Cincinnati 3	Montreal 7, Texas 5
Boston 7, St. Louis 1	Chicago (A.L.) 11, Philadelphia 4
New York (A.L.) 4, Houston 2	San Francisco 4, Oakland 1
Chicago (N.L.) 11, San Francisco 5	Cleveland 16, San Diego 1
Seattle 12, Oakland 4	Minnesota 7, New York (N.L.) 4
Detroit 7, Pittsburgh 6	Baltimore 6, Atlanta 1
Los Angeles 7, California 0	Toronto 2, Milwaukee 1
Saturday's Results	
St. Louis 5, Cincinnati 2	Atlanta 4, Houston 3
New York 3, Pittsburgh 2	Albuquerque 2, Montreal 1
Chicago (A.L.) 11, Detroit 7	Kansas City 6, Texas 5
Montreal (A.L.) 4, New York (A.L.) 3	San Diego (A.L.) 9, Boston 6
Cleveland 7, Chicago (N.L.) 5	San Diego (A.L.) 5, Seattle 4
San Francisco 4, Oakland 1	Philadelphia 3, Baltimore 2
Los Angeles 4, California 2	Milwaukee 12, Toronto 1



